Mr. BARKLEY. Of course, where there is any dispute about what a contract of any kind means, evidence is usually available as to conversations which transpired leading up to the contract. The same statement applies to a treaty, and it seems to me that neither side to this treaty, in view of the minutes, the correspondence, and the interpretation placed upon it by the two Governments, has any ground for misinterpreting what it means.

Mr. McKELLAR. If that be so, why not put it in by way of amendment, and have it acted upon in the way that the laws and constitutions of the two countries provide?

Mr. BARKLEY. That would mean, of course, interminable delay in negotiating a new treaty and the ratification of a new treaty when it seems to me that is not necessary.

Mr. McKELLAR. We have delayed ratification for 3 years.

Mr. BARKLEY. That is true, but that in itself does not justify further delay.

Mr. CONNALLY submitted an amendment intended to be proposed by him to Executive B (74th Cong., 2d sess.), a general treaty between the United States of America and the Republic of Panama, signed at Washington on March 2, 1936, which was ordered to lie on the table and to be printed.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of California. If we are ready to vote, I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island to article X of the treaty. Those in favor of the amendment will signify by saying "aye."

Mr. BAILEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are demanded. Is the demand seconded?

The yeas and nays were not ordered.

Mr. BARBOUR. Mr. President, what are we voting on?

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

Mr. BARKLEY. Mr. President, I think before the vote is taken a quorum should be present. Did the Chair announce that there was a sufficient number to order the yeas and nays?

The PRESIDING OFFICER. No; the Chair announced that there was not a sufficient number.

Mr. CONNALLY. How many hands were counted?

The PRESIDING OFFICER. The Chair counted 8 hands. The Chair again will ask for a show of hands. All in favor will raise their hands. The Chair counts 11 hands.

Mr. BAILEY. How many favorable votes are required?

The PRESIDING OFFICER. Assuming that a quorum is present, one-fifth of the number.

Mr. BAILEY. Let us have a count and see if a quorum is present.

Mr. McKELLAR. Eleven would be one-fifth of 55.

Mr. BAILEY. Yes. Eleven would be more than one-fifth of the number required for a quorum.

The PRESIDING OFFICER. The yeas and nays are ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Hughes	Pittman
Austin	George	Johnson, Calif.	Radcliffe
Bailey	Gerry	Johnson, Colo.	Schwartz
Barbour	Green	La Follette	Sheppard
Barkley	Guffey	Lucas	Stewart
Borah	Gurney	McKellar	Taft
Capper	Hatch	Minton	Thomas, Utah
Chavez	Hill	Nye	Truman
Connally	Holman	Pepper	White

The PRESIDING OFFICER. Thirty-six Senators have answered to their names. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. MALONEY answered to his name when called.

The PRESIDING OFFICER. Thirty-seven Senators have answered to their names. A quorum is not present.

ADJOURNMENT

Mr. BARKLEY. Mr. President, at this hour I have no disposition to invoke the powers of the Sergeant at Arms in order to obtain a quorum. I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock p. m.) the Senate adjourned until tomorrow, Tuesday, July 25, 1939, at 11 o'clock a. m.

CONFIRMATION

Executive nomination confirmed by the Senate July 24 (legislative day of July 18), 1939

UNITED STATES ATTORNEY

Miles N. Pike to be United States attorney for the district of Nevada.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 24, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our most gracious Lord, tender and loving in Thy mercy, we pray that we may be altogether worthy of "life's well done" by being enthusiastic exponents of truth, justice, and Christian brotherhood. Do Thou enable us to live and work under the benignant sway of great truths, always aspiring after the heavenly genius of goodness. Blessed Father, may we not refuse through neglect or self-deception to confess our sins to Him who is faithful and just to forgive and to cleanse us from all unrighteousness. Put Thy hand upon us and inspire us to heed Thy call to seek not gold, but men; not fame, but men; not ease, but men. We wait, as we hark back to the prayer of the apostle:

Beloved, I pray that in all things thou mayest prosper and be in health, even as thy soul prospereth.

In the name of the Lord of Life. Amen.

The Journal of the proceedings of Saturday, July 22, 1939, was read and approved.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Hon. Carlos S. Tan, of the Philippine Assembly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include an editorial appearing in the Washington Post this morning.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a memorandum prepared by the United States Conference of Mayors.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I also ask unanimous consent to extend my remarks by including therein a resolution.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. DONDERO addressed the House. His remarks appear in the Appendix.]

THE FISCAL SITUATION

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker and Members of the House, it seems to me it would be very wise if the Secretary of the Treasury, Mr. Morgenthau, would use a little red ink in the publication of his daily statements. Mr. Speaker, it is not right that he publish this statement in black ink all the time, because it is mostly all red. When you have a statement that should appear in red and then publish it in black, it only fools the American people. You Members of Congress realize that we have gone in the red $375,399,000 since July 1. That is almost $20,000,000 a day more than we take in. It certainly should be printed in red ink. Mr. Morgenthau ought to show that on his statements, and it should be published in red ink. Then you men on that side would realize just exactly the condition of the Treasury. It is the reddest thing in the country today. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE CONGRESS OF THE UNITED STATES

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, in the absence of the gentleman from Illinois [Mr. SABATH], who one day agrees with his friend John L. Lewis that the strikes of the W. P. A. workers on Government projects should be supported and the next day, when he gets the nod from the White House, changes his mind and loses all interest in the bill which the paper announced he would introduce restoring the "prevailing wage scale," I will not now speak about the activities of John L. Lewis, who is assuming to establish a dictatorship over labor, decreeing that no man shall work until he has paid the tribute levied by Lewis.

Permit me to call the attention of the leaders of the Democratic Party to another would-be censor, who assumes the right to abolish, temporarily at least, one of the branches of the Federal Government established by the Constitution some 150 years ago.

It is evident that the recent visit of royalty, the visit of a king and queen to the White House and to Hyde Park, is having its effect. The King and Queen, to the average American citizen, appeared to be, and many of us think they are, of the "salt of the earth"—a man and a woman whom all of us would be proud to hail as typical American citizens. But Elliott Roosevelt, the President's son, on whose face not so long ago there appeared the first evidence of a beard, must have assumed that Papa and Mama, having been visited by a king and queen, are endowed with some of the royal prerogatives formerly exercised by absolute rulers.

Saturday night, with intolerable assumption and conceit, with the arrogance and ignorance of youth and the judgment of an adolescent, he presumed to announce to the country at large, that, because some Congressmen's "chief desire is to see the administration take a trimming"—a laudable objective in the opinion of many—and because he erroneously assumed that a few Congressmen were "able to reduce Congress to a form of political slugfest," "Congress has outlived its usefulness."

No one enjoys a "political slugfest" better than Elliott and his dad, provided that they do the slugging and no one hits back. No President has ever thrown quite as much mud as F. D. R., who was outdone in that practice only by Charlie Michelson.

Beyond question, Elliott gets many of his ideas from Papa and Mama and was speaking in the characteristically Rooseveltian vein; so, having come from, as it might be said, the abode of the commissar—from the home of a would-be Stalin or a Mussolini—as a considered opinion of this, the third branch of our Government, may I presume to inquire of the majority leadership whether they intend to adjourn because this "Congress has outlived its usefulness"—to the administration—or whether they will wait until, by New Deal order or decree, Congress temporarily is abolished? The master has spoken; have we, like the dog which listens to the phonograph, heard our "master's voice"? [Laughter and applause.]

THE GOVERNOR OF MICHIGAN

Mr. HOOK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOOK. Mr. Speaker, in the CONGRESSIONAL RECORD of Saturday appeared an article wherein the gentleman from Michigan [Mr. HOFFMAN] wanted to compare the difference between the present Governor of Michigan and the former Governor of Michigan. I want to call his attention to the fact that the present Governor of Michigan, with the help of the Republican organization, sabotaged the civil service. In one of the Republican newspapers they have this to say:

> One way or another the State is being rapidly streamlined on accentuated spoils basis. It is more a state of spoils than it was under the first Fitzgerald administration or under any other recent administration. The only reason the turn-over is not more rapid than is the case is apparently difficulty about agreement as to who are to get the jobs.

[Here the gavel fell.]

Mr. HOOK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, to show the real difference between Republicans and Democrats and the two gentlemen mentioned by the gentleman from Michigan [Mr. HOFFMAN].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, is the gentleman going to put that in today?

Mr. HOOK. I am not so certain.

Mr. HOFFMAN. I just wanted to know if you are going to put it in today?

Mr. HOOK. I am not so certain.

Mr. HOFFMAN. You will put it in at your convenience?

Mr. HOOK. I will put it in either today or tomorrow.

Mr. HOFFMAN. I thank the gentleman.

Mr. HOOK. But I assure you you will have something to answer.

Mr. HOFFMAN. That will be fine, and that will be the first thing you ever offered that needed an answer.

The SPEAKER. Is there objection?

There was no objection.

[Mr. HOOK addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SCHAEFER of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting an editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks on the Lea bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH asked and was given permission to revise and extend his own remarks.

DISTRICT OF COLUMBIA CALENDAR

FINANCIAL RESPONSIBILITY OF MOTOR-VEHICLE OWNERS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of S. 2350, to amend the act

of Congress approved May 3, 1935, entitled "An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes."

A similar House bill (H. R. 5996) has been reported, and is on the Calendar.

The Clerk read the title of the Senate bill.

Mr. EBERHARTER. Mr. Speaker, reserving the right to object, will the chairman of the committee advise us whether the Senate bill is similar to the House bill?

Mr. RANDOLPH. Yes; it is a similar bill. This bill passed the Senate a few days ago.

Mr. EBERHARTER. This bill provides that anybody found guilty of reckless driving would have his operator's permit revoked.

Mr. RANDOLPH. That is right.

Mr. DIRKSEN. Where personal injury results.

Mr. EBERHARTER. Mr. Speaker, I object.

Mr. DIRKSEN. Mr. Speaker, will the gentleman withhold his objection for a minute?

Mr. EBERHARTER. Mr. Speaker, I reserve the objection to permit the gentleman to make a statement.

Mr. DIRKSEN. I may say that this bill amends existing law only with respect to reckless driving where personal injury results.

Mr. RANDOLPH. That is right, where personal injury is caused.

Mr. EBERHARTER. I object to an automobile operator being deprived of his license by reason of having been found guilty of reckless driving by some magistrate. I believe in cases of this sort if a jury found an operator guilty of an offense which was really serious it would be all right, but to suspend a permit simply where a magistrate finds an operator guilty of reckless driving if there is only a minor injury is going too far. I think this is one of the measures that has the backing and support of the insurance companies so that they can charge about 33⅓ percent more premium to an operator of that sort.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. RICH. The gentleman will remember that in Pennsylvania a few years ago, by order of Governor Earle, the principle was established that a person found guilty of reckless driving should have his permit suspended for 90 days. The gentleman will also remember that in Pennsylvania we have cut down the death rate about 20 to 25 percent. It certainly did a wonderful amount of good in Pennsylvania. If it is good for Pennsylvania, it should be good for the District of Columbia.

Mr. EBERHARTER. I am familiar with the act of the assembly to which the gentleman refers, but that did not provide that a person's license should be suspended for 90 days simply upon the finding of a magistrate; that was done only after a special hearing was held in which all the facts were gone into. I feel the pending bill is entirely too stringent.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. NICHOLS. In the District of Columbia, of course, we have no magistrate. I think there is not a court in the District that is not a court of record. I know what the gentleman is talking about, but in Oklahoma we call them justices of the peace. We do not have such offices in the District of Columbia.

Mr. EBERHARTER. I believe this matter should go before the Committee on the Judiciary and be given more consideration. There is no particular hurry for this bill to be rushed through at this time.

Mr. NICHOLS. But the gentleman must realize that an objection merely delays the committee, for the committee has the right on its calendar day to call up bills and have them voted upon.

Mr. RANDOLPH. If the gentleman will yield further, I may say to him that there have been hundreds of cases of reckless driving here in the District resulting in serious personal injury to many people. I hope the gentleman will not object. We have given the bill most careful consideration and believe it should be passed.

Mr. EBERHARTER. Mr. Speaker, the very fact that there is, as the gentleman says, hundreds and hundreds of cases shows to me that this legislation should not be passed by unanimous consent, where it is going to affect hundreds and hundreds, and I must insist upon my objection, Mr. Speaker.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. RICH. Does not the gentleman believe that where we fail to curb reckless drivers his own life and the life of his own family as well as others are jeopardized? Why should we permit reckless drivers on the highway? I think the gentleman will find he is doing an injury to the District if he does not permit this legislation to be enacted.

The regular order was demanded.

The SPEAKER. The regular order is demanded. The regular order is, Is there objection to the request of the gentleman from West Virginia?

Mr. EBERHARTER. Mr. Speaker, I object.

FARMERS' MARKET

Mr. RANDOLPH. Mr. Speaker, I call up House Joint Resolution 340, providing that the farmers' market in blocks 354 and 355 in the District of Columbia shall not be used for other purposes, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

Whereas a farm market was conducted on Louisiana Avenue between Ninth and Twelfth Streets for 30 or 40 years under the supervision of the Department of Agriculture; and

Whereas the farmers were induced to give up this market on condition that other land of equal size and value would be obtained; and

Whereas $300,000 was appropriated in March 1929 for this purpose; and

Whereas two city blocks, known as 354 and 355 in southwest Washington, were obtained and deeded to the District of Columbia to be used expressly for a farmers' market; and

Whereas part of block 355 has now been taken for a District inspection station in direct opposition to this agreement and breaking the implied contract that this project would be available for a farm market; and

Whereas there is danger of the rest of the market also being confiscated: Therefore be it

Resolved, etc., That the remaining parts of these lots shall from now on be inviolate as a farmers' market and shall not be taken from them as long as needed by said farmers as a market place.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LICENSE TO PRACTICE CHIROPRACTIC IN THE DISTRICT OF COLUMBIA TO GEORGE M. CORRIVEAU

Mr. RANDOLPH.—Mr. Speaker, I call up the bill (H. R. 4732) to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. George M. Corriveau and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title to the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice chiropractic in the District of Columbia to Dr. George M. Corriveau in accordance with the provisions of the act of Congress entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, and on condition that the said George M.

Corriveau shall be found by said commission to be otherwise qualified to practice under the provisions of said act.

With the following committee amendment:

Page 1, line 8, strike out the word "Doctor."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to George M. Corriveau."

A motion to reconsider was laid on the table.

LAURA T. CORRIVEAU

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 4733) to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Laura T. Corriveau and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice chiropractic in the District of Columbia to Dr. Laura T. Corriveau in accordance with the provisions of the act of Congress entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929, and on condition that the said Laura T. Corriveau shall be found by said Commission to be otherwise qualified to practice under the provisions of said act.

With the following committe amendment:

Page 1, line 8, strike out "Doctor."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Laura T. Corriveau."

A motion to reconsider was laid on the table.

EXCHANGE OF CERTAIN PARK LANDS IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 2666, providing for the exchange of certain park lands at the northern boundary of Piney Branch Parkway, near Argyle Terrace, for other lands more suitable for the use and development of Piney Branch Parkway, and request its immediate consideration. I may say a similar House bill has been favorably reported and is pending on the calendar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in order to better adjust the boundaries of Piney Branch Parkway and to make said parkway more usable and more readily developed, the Secretary of the Interior is authorized to convey, by and on behalf of the United States of America, to the owners of parcel 69/47, or to such party or parties as said owners shall designate, the title of the United States in and to a triangular piece of land containing approximately 22,000 square feet at the northern boundary of Piney Branch Parkway near Argyle Terrace and abutting parcel 69/47: *Provided*, That the owners of said parcel 69/47 shall furnish the United States of America with a good and sufficient title in fee simple, free of all encumbrances, to a triangular piece of land containing approximately 26,000 square feet, abutting the northern boundary of Piney Branch Parkway at its intersection with the eastern boundary of Rock Creek Park. The transfers provided for herein are designated approximately upon plat file No. 3.6–114 in the files of the National Capital Park and Planning Commission. The conveyances shall be by proper deed and other instruments containing full legal description by exact survey of the land exchanged, as provided by law.

The bill was ordered to be read a third time, was read the third time, and passed.

A House bill, H. R. 6938, was laid on the table.

A motion to reconsider was laid on the table.

AMERICAN FRIENDS SERVICE COMMITTEE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2139) to exempt from taxation certain property of the American Friends Service Committee, a nonprofit corporation organized under the laws of Pennsylvania for religious, educational, and social-service purposes, and request its immediate consideration. A similar House bill has been favorably reported and is pending.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the property situated in square 153, in the city of Washington, D. C., described as lot 804, owned, occupied, and used by the American Friends Service Committee, a nonprofit corporation organized under the laws of Pennsylvania for religious, educational, and social-service purposes, and known as the International Student House, is hereby exempted from all taxation so long as the same is owned, occupied, and maintained without profit by the American Friends Service Committee as a residence for students attending educational institutions in the District of Columbia, and primarily as a residence for students of foreign birth attending such institutions, subject to the provisions of section 8 of the act of March 3, 1877, as amended and supplemented (D. C. Code, title 20, sec. 712), providing for exemptions of church and school property.

The bill was ordered to be read a third time, was read the third time, and passed.

A House bill (H. R. 4903) was laid on the table.

A motion to reconsider was laid on the table.

INCORPORATION OF GROUP HOSPITALIZATION, INC.

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 6266) providing for the incorporation of certain persons as Group Hospitalization, Inc., and request its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. RICH. Mr. Speaker, reserving the right to object, these bills have been reported by the gentleman's committee?

Mr. RANDOLPH. Yes. They have been reported favorably by the committee. Does the gentleman want to make any comment on this bill?

Mr. RICH. No. I was just wondering whether all these bills, which are going through so rapidly, have been reported favorably by the committee.

Mr. RANDOLPH. Yes; they have been.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Arthur C. Christie, M. D.; Maj. Gen. Charles R. Reynolds; Mrs. Joshua Evans, Jr.; Joseph H. Himes; Gen. Frank T. Hines; Frank R. Jelleff; Howard W. Kacy; Mark Lansburgh; Admiral Ross T. McIntire; George H. O'Connor; Sidney F. Taliaferro; Charles S. White, M. D.; Roger J. Whiteford; Thomas W. Brahany; and E. Barrett Prettyman; and their successors to be selected in the manner hereinafter declared, be, and they hereby are, incorporated and made a body politic and corporate, by the name of "Group Hospitalization, Inc.," and by that name may contract and be contracted with, sue and be sued, plead and be impleaded in any court of law or equity of competent jurisdiction, and may have and use a common seal.

SEC. 2. Said corporation is hereby authorized and empowered (a) to enter into contracts with individuals or groups of individuals to provide for hospitalization of such individuals, upon payment of specified rates or premiums, and to issue to such individuals appropriate certificates evidencing such contracts; (b) to enter into contracts with hospitals for the care and treatment of such individuals, in accordance with the terms of such certificates; and (c) to cooperate, consolidate, or contract with groups or organizations interested in promoting and safeguarding the public health.

SEC. 3. Said corporation shall not be conducted for profit, but shall be conducted for the benefit of the aforesaid certificate holders. The business and affairs of this corporation shall be conducted by its board of trustees, who shall have full power and authority in the premises, including authority to provide for all expenses incident to the conduct and management of its business and affairs. The number of trustees shall be fixed by the bylaws, but shall be at least 15, and shall be maintained so as to be divisible into three equal classes. The incorporators are hereby declared

to be the first board of trustees of this corporation, and their respective terms of office shall be as follows: Gen. Frank T. Hines, Sidney F. Taliaferro, and Frank R. Jelliff, 5 years; Howard W. Kacy, Admiral Ross T. McIntire, and Arthur C. Christie, 4 years; Maj. Gen. Charles R. Reynolds, Joseph H. Himes, and Charles S. White, 3 years; Mrs. Joshua Evans, Jr., Mark Lansburgh, and George H. O'Connor, 2 years; Roger J. Whiteford, Thomas W. Brahany, and E. Barrett Prettyman, 1 year. Upon the expiration of the respective terms of said trustees, their successors shall be appointed as follows: One by the Commissioners of the District of Columbia, one by the Medical Society of the District of Columbia, and one by a group consisting of the president or chairman of the boards of trustees or other designated individual of each hospital with which the corporation shall have contracts for hospitalization, at a meeting called 30 days in advance by the president of Group Hospitalization, Inc. If either of the other two groups aforesaid shall fail to name their respective quotas of trustees at any time, then such trustees shall be selected by the Commissioners of the District of Columbia. If the number of trustees shall be increased, each of the appointing authorities heretofore designated shall increase, proportionately, the number of trustees to be appointed by such appointing authority. Each of the trustees to be appointed as aforesaid shall serve for 5 years.

SEC. 4. The first board of trustees shall meet within 10 days after the approval of this act and elect a president, vice president, secretary and treasurer, and from time to time such additional officers as the bylaws may provide, and also transact such other business as may properly come before them, including the preparation for approval, from time to time, of the necessary bylaws for the proper conduct of the corporation. The treasurer shall give bond to the corporation, with sufficient surety, in such penalty as the trustees determine, for the faithful discharge of his duty. Thereafter the meetings of the trustees shall be held at such time and place as provided in the bylaws. In case of vacancy in the board of trustees caused otherwise than by expiration of term of office, such vacancy shall be filled by the remaining trustees for the unexpired term of such former trustee.

SEC. 5. The corporation shall file with the superintendent of insurance of the District of Columbia a certified copy of this charter, of its bylaws, and copies of the forms of contracts to be offered to the certificate holders, whereupon the company may commence operations under this charter. The corporation shall also file annually with said superintendent of insurance a statement disclosing the operations of the corporation for the preceding year, and its financial position. If said superintendent shall have reason to believe that this corporation is not complying with the provisions of this charter, or is being operated for profit, or fraudulently conducted, he shall cause to be instituted the necessary proceedings to enjoin such improper conduct, or to dissolve this corporation.

SEC. 6. The funds of this company may be invested only in securities in which the funds of insurance companies may be invested, as provided by the laws of the District of Columbia.

SEC. 7. This corporation shall not be subject to the provisions of statutes regulating the business of insurance in the District of Columbia, but shall be exempt therefrom unless specifically designated therein.

SEC. 8. This corporation is hereby declared to be a charitable and benevolent institution, and all of its funds and property shall be exempt from taxation other than taxes on real estate.

SEC. 9. The corporation is hereby authorized and empowered to take over, carry out, and assume all contracts, obligations, assets, and liabilities of a corporation heretofore organized and now doing business in the District of Columbia under the name of Group Hospitalization, Inc.

SEC. 10. This act may be altered, amended, or repealed at the pleasure of the Congress of the United States of America.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT TO DISTRICT OF COLUMBIA REVENUE ACT OF 1939

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 7320) to amend the District of Columbia Revenue Act of 1939, and for other purposes, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 21 of title II of the District of Columbia Revenue Act of 1939, is amended to read as follows:

"(c) Reciprocal exchange of information with the United States and the several States, notwithstanding the provisions of this section, the assessor may permit the proper officer of the United States or of any State imposing an income tax or his authorized representative to inspect income-tax returns, file with the assessor, or may furnish to such officer or representative a copy of any such income-tax returns provided the United States or such State grant substantially similar privileges to the assessor or his representative, or to the proper officer of the District charged with the administration of this title."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INSTALLATION OF PARKING METERS IN DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 5405) authorizing the installation of parking meters and other devices on the streets of the District of Columbia, and for other purposes, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are authorized and empowered in their discretion, within the limits of appropriations therefor by Congress, which are hereby authorized, to secure and install mechanical parking meters or devices on the streets, avenues, roads, highways, and other public spaces in the District of Columbia under the jurisdiction and control of the said Commissioners (in addition to those mechanical parking meters or devices installed pursuant to the authority conferred on the said Commissioners by sec. 11, p. 40, of Public Law No. 458, of the 75th Cong., 3d sess., approved April 4, 1938), such meters or devices to be located at such points as the Commissioners may determine, and the said Commissioners are authorized and empowered to make and enforce rules and regulations for the control of parking of vehicles on such streets, avenues, roads, highways, and other public spaces, and as an aid to such regulation and control of the parking of vehicles the Commissioners may prescribe fees for the parking of vehicles where meters or devices are installed.

SEC. 2. The said Commissioners are further authorized and directed to deposit all such fees as are collected to the credit of the special fund entitled "Highway fund, gasoline tax, and motor-vehicles fees, District of Columbia," except those which are required to complete the payment of the purchase price and cost of installation of such mechanical parking meters or devices as were authorized by section 11, page 40, of Public Law No. 458 of the Seventy-fifth Congress, third session, approved April 4, 1938.

SEC. 3. The said Commissioners shall include in their annual estimates of appropriations for the District of Columbia for the fiscal year 1940 and for each fiscal year thereafter such amounts as may be necessary for the purchase and installation of additional mechanical parking meters or devices and the maintenance and operation of all such parking meters or devices, including personal services and other necessary expenses.

With the following committee amendment:

Page 3, after line 4, insert a new section, as follows:

"SEC. 4. The Commissioners may purchase such additional meters as in their discretion may be necessary to insure uniformity of equipment in sections of the city within or contiguous to that in which meters have already been installed: *Provided*, That 50 percent of any number of meters installed during the fiscal year ending June 30, 1940, may be of the manually operated type, in accordance with specifications approved by the Bureau of Standards, and may be purchased and installed upon an experimental basis similar, except as to number, to that authorized for the original experimental installation by section 11, page 40, Public Law No. 458, of the Seventy-fifth Congress, third session."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REAL ESTATE BROKERS IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 5685) to amend the act of Congress entitled "An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes," approved August 25, 1937, and ask that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the title of the act entitled "An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes", approved August 25, 1937 (Public, No. 356, 75th Cong.), is amended to read as follows:

"An act to define, regulate, and license real-estate brokers, real-estate salesmen, business-chance brokers, and business-chance salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions and in real-estate promotions and in business-chance transactions; and for other purposes."

SEC. 2. Section 1 of said act is hereby amended to read as follows:

"SECTION 1. That on and after 90 days from the date of enactment of this act it shall be unlawful in the District of Columbia for any person, firm, partnership, copartnership, association, or corporation (foreign or domestic) to act as a real-estate broker, real-estate salesman, business-chance broker or business-chance salesman, or to advertise or assume to act as such, without a license issued by the Real Estate Commission of the District of Columbia."

SEC. 3. Section 2 of said act is hereby amended to read as follows:

"SEC. 2. Whenever used in this act 'real-estate broker' means any person, firm, association, partnership, or corporation (foreign or domestic) who, for another and for a fee, commission, or other valuable consideration, or who, with the intention or in the expectation or upon the promise of receiving or collecting a fee, commission, or other valuable consideration, lists for sale, sells, exchanges, purchases, rents, or leases or offers or attempts or agrees to negotiate a sale, exchange, purchase, lease, or rental of an estate or interest in real estate, or collects or offers or attempts or agrees to collect rent or income for the use of real estate, or negotiates or offers or attempts or agrees to negotiate, a loan secured or to be secured by a mortgage, deed of trust, or other encumbrance upon or transfer of real estate, or who, as owner or otherwise and as a whole or partial vocation, sells, or through solicitation, advertising, or otherwise offers or attempts to sell or to negotiate the sale of any lot, plot or site in any tract of land used or proposed to be used for burial purposes, or any interest or right therein, either as an investment or for use thereof for burial purposes, or who is engaged in the business of erecting houses or causing the erection of houses for sale on his, their, or its land and who sells, offers, or attempts to sell such houses, or who, as owner or otherwise and as a whole or partial vocation, sells, or through solicitation, advertising, or otherwise, offers or attempts to sell or to negotiate the sale of any lot or lots in any subdivision of land comprising 10 lots or more: *Providing, however,* That this definition shall not apply to the sale of space for advertising of real estate in any newspaper, magazine, or other publication. A 'business-chance broker' within the meaning of this act is any person, firm, partnership, association, copartnership, or corporation who for a compensation or valuable consideration sells or offers for sale, buys or offers to buy, leases or offers to lease, or negotiates the purchase or sale or exchange of a business, business opportunity, or the goodwill of a business for others.

" 'Real-estate salesmen' means a person employed by a licensed real-estate broker to list for sale, sell, or offer for sale, to buy or offer to buy, or to negotiate the purchase or sale, or exchange of real estate, or to negotiate a loan on real estate, or to lease or rent or offer to lease, rent, or place for rent, any real estate, or collect or offer or attempt to collect rent or income for the use of real estate, or to sell or offer or attempt to sell any lot, plot, or site in any tract of land used or proposed to be used for burial purposes, or any interest or right therein either as an investment or for use thereof for burial purposes, for or in behalf of such real-estate broker.

" 'Business-chance salesman' means any person employed by a licensed business-chance broker to list for sale, sell, or offer for sale, to buy or offer to buy, to lease or offer to lease, or to negotiate the purchase or sale or exchange of a business, business opportunity, or goodwill of an existing business for or in behalf of such business-chance broker.

"Persons employed by a licensed broker in a clerical capacity or in subordinate positions who receive a fixed compensation and who receive no additional commission or compensation for specific acts of renting or leasing real estate and who do not sell or exchange, or offer or attempt to sell or exchange, real estate or a business, business opportunity, or the goodwill of a business shall not be required to obtain licenses.

"One act for a compensation or valuable consideration of buying or selling real estate for or of another, or offering for another to buy, sell, or exchange real estate, or leasing, renting, or offering to lease or rent real estate, or negotiating or offering to negotiate a loan secured by a mortgage, deed of trust, or other incumbrance upon or transfer of real estate, except as herein specifically excepted, shall constitute a person, firm, partnership, copartnership, association, or corporation, performing, or offering, or attempting to perform any of the acts enumerated herein, a real-estate broker, unless such act shall be performed or offered or attempted to be performed by a person for and in behalf of a real-estate broker in which event such act shall constitute such person a real-estate salesman.

"One act for a compensation or valuable consideration of buying, selling or leasing or exchanging a business, business opportunity, or the goodwill of a business for or of another or offering for another to buy, sell, exchange, or lease a business, business opportunity, or the goodwill of a business, except as herein specifically excepted, shall constitute the person, firm, partnership, copartnership, association, or corporation performing or offering or attempting to perform any of the acts enumerated herein, a business-chance broker, unless such act shall be performed or offered or attempted to be performed by a person for or on behalf of a business-chance broker, in which event such act shall constitute such person a business-chance salesman.

"The provisions of this act shall not apply to receivers, referees, administrators, executors, guardians, trustees, or other persons appointed or acting under the judgment or order of any court; or public officers while performing their official duty, or attorneys at law in the ordinary practice of their profession; nor to any person, copartnership, association, or corporation, who, as owner or lessor, shall perform any of the acts aforesaid with reference to property owned or leased by them, or to the regular officers and employees thereof, with respect to the property so owned or leased, where such acts are performed in the regular course of, or as an incident to, the management of such property and the investments therein, except as otherwise provided in this act.

"Every provision of this act applying specifically to an applicant or application for a license as a real-estate broker or a real-estate salesman, and to a real-estate license, and to a licensee licensed as a real-estate broker or a real-estate salesman, and to anyone acting in the capacity of a real-estate broker or a real-estate salesman without a license, shall likewise apply in a similar manner, respectively, to every applicant and application for a license as a business-chance broker or a business-chance salesman, and to every business-chance license, and to every licensee licensed as a business-chance broker or a business-chance salesman, and to anyone acting in the capacity of a business-chance broker or a business-chance salesman without a license."

SEC. 4. The seventh paragraph of section 3 is amended to read as follows:

"The compensation of members of the Commission, except the ex officio member, shall be $10 each for personal attendance at each meeting, but shall not exceed for any member $1,500 per annum."

SEC. 5. Section 4 of said act is amended to read as follows:

"SEC. 4. No license under the provisions of this act shall be issued to any person who has not attained the age of 21 years, nor to any person who cannot read, write, and understand the English language; nor until the Commission has received satisfactory proof that the applicant is trustworthy and competent to transact the business of a real-estate broker or real-estate salesman or business-chance broker or business-chance salesman in such a manner as to safeguard the interests of the public: *Provided, however,* That a salesman shall have 6 months from the date of the issuance of his original license to prove his competency, and failure to prove his competency to the satisfaction of the Commission within that period will automatically cancel his original license or any renewal thereof.

"In determining competency, the Commission shall require proof that every applicant for a license has a general and fair understanding of the obligations between principal and agent, as well as of the provisions of this act; and that an applicant for a license as a real-estate broker has a fair understanding of the general purposes and effect of deeds, mortgages, and contracts for the sale or leasing of real estate, and of elementary real-estate practices; and that an applicant for a license as a business-chance broker has a fair understanding of the general purposes and effect of bills of sale, chattel mortgages and trusts, and the provisions of the law governing sales in bulk.

"No license shall be issued to any person, firm, partnership, copartnership, association, or corporation whose application has been rejected in the District of Columbia or any State within 3 months prior to date of application, or whose real-estate license has been revoked in the District of Columbia or any State within 1 year prior to date of application."

SEC. 6. (a) The eighth paragraph of section 5 of said act is amended by striking out the words, "executed by two good and sufficient sureties, to be approved by the Commission, or".

(b) Section 5 of said act is further amended by inserting at the end of the tenth paragraph thereof the following:

"In the event the surety becomes insolvent or a bankrupt, or ceases to do business or ceases to be authorized to do business in the District of Columbia, the principal shall, within 10 days after notice thereof, given by the Commission, duly file a new bond in like amount and conditioned as the original and if the prinicpal shall fail so to do the license of such principal shall terminate."

SEC. 7. (a) The third paragraph of section 7 of said act is amended to read as follows:

"The fee for an original broker's license and every renewal thereof shall be $30: *Provided, however,* That the fee for an original broker's license and every renewal thereof for individual members, partners, and officers of firms, partnerships, and corporations shall be $30 for the first member, partner, or officer to be designated by the firm, partnership, or corporation and $10 for each additional member, partner, or officer of such firm, partnership, or corporation."

(b) The fifth paragraph of said section 7 of said act is amended by striking out the words "real estate."

(c) Section 7 of said act is further amended by inserting a new paragraph between the fifth and sixth paragraphs of said section 7 to read as follows:

"The fees provided herein for any original license shall be reduced by one-half in all cases where the application for such original license is filed between January 1 and July 1 of any year."

(d) The seventh paragraph of section 7 of said act is hereby amended to read as follows:

"The Commission shall cause to be issued a new license for each ensuing year, in the absence of any reason or condition which might warrant the refusal of the granting of a license, upon receipt of the written request of the applicant and the annual fee therefor, as herein required: *Provided, however,* That an applicant who, on or before July 1, fails to file said written request and pay the annual fee must comply with all the provisions of this act applicable to an original applicant except that the Commission may waive the requirement of furnishing proof of competency. The revocation of a broker's license shall automatically suspend every salesman's license granted to any person by virtue of his employment by the broker whose license has been revoked, pending a change of employer and the issuance of a new license. Such new license shall be issued without charge if granted during the same license year in which the original license is granted."

(e) The eighth paragraph of section 7 of said act is amended to read as follows:

"No person, firm, partnership, copartnership, association, or corporation engaged in the business or acting in the capacity of a real-estate broker or a real-estate salesman, or a business-chance broker or a business-chance salesman, within the District of Columbia shall bring or maintain any action in the courts of the District of Columbia for the collection of compensation for any services performed as a real-estate broker or a real-estate salesman or a business-chance broker or business-chance salesman, or enforcement of any contract relating to real estate without alleging and proving that such person, firm, partnership, copartnership, association, or corporation was a duly licensed real-estate broker or real-estate salesman, or business-chance broker or business-chance salesman, at the time the alleged cause of action arose."

(f) The ninth paragraph of said section 7 of said act is amended to read as follows:

"Every broker licensed hereunder shall maintain a place of business in the District of Columbia. If a broker maintains more than one place of business within the District of Columbia, a duplicate license shall be issued to such broker for each branch office maintained; and there shall be no fee charged for any such duplicate license."

(g) The tenth paragraph of said section 7 of said act is amended to read as follows:

"When a broker changes the location of his principal place of business he must immediately notify the Commission in writing and return to the Commission his license together with the licenses of all salesmen in his employ, and the Commission shall issue a new license to the broker and to each of the salesmen without charge. Failure to notify the Commission and to return his license when the location of his principal place of business is changed, will automatically cancel the broker's license and the licenses of all salesmen in his employ. However, new licenses for the unexpired term may be issued by the Commission without the payment of any additional fee, provided a written request therefor, accompanied by a new bond, is filed."

(h) The eleventh paragraph of said section 7 of said act is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "When a salesman shall be discharged or shall terminate his employment with the broker by whom he is employed, it shall be the duty of such salesman to immediately notify the Commission, and it shall be unlawful for him to perform any of the acts contemplated by this act either directly or indirectly from and after such termination of employment until such time as he has been employed by another licensed broker and a license has been reissued him by the Commission."

(i) Section 7 of said act is further amended by adding at the end thereof two new paragraphs to read as follows:

"A license issued to an individual cannot be transferred to another individual. However, an individual licensed as a broker may, upon written request to the Commission, change his status to that of an individual broker or to that of a partner of a partnership, or to that of an officer of a corporation, for any unexpired term of his license, without the payment of any additional fee, and such change shall not work a revocation or require a renewal of the bond of any such broker. This provision shall not be applicable to any real-estate broker in respect to a change of license to that of a business-chance broker or vice versa.

"No license shall be issued to any firm, partnership, association, or corporation unless every individual member, partner, or officer of such firm, partnership, association, or corporation who actively participates in the brokerage business thereof is licensed as a broker."

SEC. 8. Section 8 of said act is amended to read as follows:

"SEC. 8. The Commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, provided such complaint or such complaint together with evidence, documentary or otherwise, presented in connection therewith, makes out a prima facie case, investigate the conduct of any real-estate broker or real-estate salesman, or business-chance broker or business-chance salesman, and shall have the power to suspend or to revoke any license issued under the provisions of this act, at any time where the licensee has by false or fraudulent representation obtained a license; or where the licensee, in performing or attempting to perform any of the acts mentioned herein, has—

"(a) Made any substantial misrepresentation;

"(b) Made any false promises of a character likely to influence, persuade, or induce;

"(c) Pursued a continued and flagrant course of misrepresentation, or making of false promises through agents or salesmen, or advertising or otherwise;

"(d) Acted for more than one party in a transaction without the knowledge of all parties for whom he acts;

"(e) Accepted a commission or valuable consideration as a real-estate salesman or as a business-chance salesman for the performance of any of the acts specified in this act from any person, except the broker under whom he is licensed;

"(f) Represented or attempted to represent a real-estate broker or a business-chance broker other than the employer, without the express knowledge and consent of the employer;

"(g) Failed, within a reasonable time, to account for or to remit any money, valuable documents, or other property coming into his possession which belong to others;

"(h) Demonstrated such unworthiness or incompetency to act as a real-estate broker or real-estate salesman or a business-chance broker or a business-chance salesman as to endanger the interests of the public;

"(i) While acting or attempting to act as agent or broker, purchased or attempted to purchase any property or interest therein for himself, either in his own name or by use of a straw party, without disclosing such fact to the party he represents;

"(j) Been guilty of any other conduct, whether of the same or a different character from that hereinbefore specified which constitutes fraudulent or dishonest dealing;

"(k) Used any trade name or insignia of membership in any real-estate organization of which the licensee is not a member;

"(l) Disregarded or violated any provisions of this act;

"(m) Guaranteed or authorized or permitted any broker or salesman to guarantee future profits which may result from the resale of real property, or a business, business opportunity, or the goodwill of any existing business;

"(n) Placed a sign on any property offering it for sale or for rent or offering it for sale or rent without the written consent of the owner or his authorized agent;

"(o) Accepted a compensation from more than one party to a transaction without the knowledge of all the parties to the transaction; or

"(p) Failed to restore the bond to its original amount after a recovery on the bond as provided in section 5."

SEC. 9. Section 10 of said act is amended by striking out the period at the end of the first paragraph thereof and inserting in lieu thereof a comma, and by adding after such comma the following: "and with the further exception that a nonresident of the District of Columbia need not maintain a place of business within the District of Columbia if he is licensed in and maintains a place of business in the State in which he resides."

SEC. 10. Section 12 of said act is amended by adding at the end thereof the following:

"The exemption contained in this section shall not apply to any bank, trust company, building and loan association, insurance company, or any land-mortgage or farm-loan association, which for another and for a compensation, performs any of the acts defined herein as the acts of a real-estate broker or business-chance broker in connection with any property, wherein such bank, trust company, building and loan association, insurance company, land-mortgage or farm-loan association has no fiduciary interest such as receiver, referee, administrator, executor, guardian, or trustee."

SEC. 11. Section 14 of said act is amended by adding at the end thereof the following:

"It shall be unlawful within the District of Columbia for any person, firm, partnership, association, or corporation, foreign or domestic, either as owner or otherwise, to offer, give, award, or promise, or to use any method, scheme, or plan offering, giving, awarding, or promising free lots in connection with the sale or the offering for sale or an attempt to sell or negotiate the sale of any real estate or interest therein, wherever situated, for the purpose of attracting, inducing, persuading, or influencing a purchaser or a prospective purchaser; or to offer, promise, or give prizes of any name or nature for attendance at or participation in any sale of real estate, by auction or otherwise.

"It shall be unlawful for any person, firm, partnership, association, or corporation knowingly to pay a fee, commission, or compensation to anyone for the performance within the District of Columbia of any service or act defined in this act as the act of a real-estate broker, real-estate salesman, business-chance broker, or business-chance salesman, who was not duly licensed as such at the time such service or act was performed, provided that this paragraph shall not apply to the division of commission by a broker licensed hereunder with a nonresident cooperating broker."

SEC. 12. No license heretofore issued under the authority of said act of Congress approved March 25, 1937, where the application therefor was accompanied by a bond which does not conform with the requirements of said act as amended hereby, shall be reissued or renewed unless the application for such reissuance or renewal shall be accompanied by a bond in accordance with said act as amended by this act.

With the following Committee amendments:

Page 3, line 9, after the word "estate", strike out the remainder of line 9 and all of lines 10 to 13, inclusive, and the words "burial purposes" in line 14.

Page 4, line 13, after the word "estate", strike out down through the word "broker" in line 18.

The Committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INSANITY PROCEEDINGS IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 7086) to provide for insanity proceedings in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That any person with whom an alleged insane person may reside, or at whose house he may be, or the father or mother, husband or wife, brother or sister, or the child of lawful age of any such person, or the nearest relative or friend available, or the committee of such person, or an officer of any charitable institution, home, or hospital in which such person may be, or any duly accredited officer or agent of the Board of Public Welfare, or any officer authorized to make arrests in the District of Columbia who has arrested any alleged insane person under the provisions of the act of Congress approved April 27, 1904 (33 Stat. 316), may apply for a writ de lunatico inquirendo and an order of commitment, or either thereof, for any alleged insane person in the District of Columbia, by filing in the District Court of the United States for the District of Columbia a verified petition therefor, containing a statement of the facts upon which the allegation of insanity is based.

Any person believing he has, or is about to, become mentally ill or deficient, may, upon his own application and petition enter Gallinger Municipal Hospital for observation and place himself subject to examination and commitment as hereinafter provided.

SEC. 2. Upon the filing with the court of a verified petition as hereinabove provided, accompanied by the affidavits of two or more responsible residents of the District of Columbia setting forth that they believe the person therein named to be insane or of unsound mind, the length of time they have known such person, that they believe such person to be incapable of managing his own affairs, and that such person is not fit to be at large or to go unrestrained, and that if such person be permitted to remain at liberty the rights of persons and property will be jeopardized or the preservation of public peace imperiled or the commission of crime rendered probable, and that such person is a fit subject for treatment by reason of his or her mental condition, the court, or any judge thereof in vacation, may, in its or his discretion, issue an attachment for the immediate apprehension and detention, for preliminary examination, of such person in Gallinger Municipal Hospital for a period not exceeding 48 hours, and thereafter, unless found by the staff of Gallinger Municipal Hospital within said period of time to be of sound mind, in St. Elizabeths Hospital for an additional period not exceeding 30 days. Any person so apprehended and detained shall be given an examination within 48 hours of his admission into Gallinger Municipal Hospital by the staff of Gallinger Municipal Hospital. If said staff shall fail, within 48 hours after the admission of such person into Gallinger Municipal Hospital, to find that such person is of sound mind, the superintendent of said hospital shall immediately transfer such person to St. Elizabeths Hospital and shall report the facts of such transfer to the Commission on Mental Health as established by the act of June 8, 1938 (52 Stat. 627, ch. 326), and hereinafter referred to as the Commission. The superintendent of St. Elizabeths Hospital is hereby authorized to receive and detain persons so transferred, at the expense of the District of Columbia.

Persons arrested under the provisions of the act of Congress approved April 27, 1904 (33 Stat. 316), shall be detained in Gallinger Municipal Hospital pending the filing of a petition as provided in section 1 of this act. Such petition shall be filed within 48 hours after such person shall have been admitted into Gallinger Municipal Hospital, or, if such 48-hour period shall expire on a Sunday or legal holiday, then not later than noon of the next succeeding day which is not a Sunday or legal holiday. The court, or any judge thereof in vacation, may, upon being satisfied of the sufficiency of the petition, sign an order authorizing the continued detention of said person in Gallinger Municipal Hospital for a further period not exceeding 48 hours, and thereafter, unless found by the staff of Gallinger Municipal Hospital within said period of time to be of sound mind, in St. Elizabeths Hospital for an additional period not exceeding 30 days. If such petition be not filed, and such order of court obtained within said first-mentioned period of 48 hours, the person shall be discharged forthwith. If said staff shall fail, within 48 hours after the filing of said petition, to find that such person is of sound mind, the superintendent of said hospital shall immediately transfer such person to St. Elizabeths Hospital, and shall report the fact of such transfer to the Commission. The superintendent of St. Elizabeths Hospital is hereby authorized to receive and detain persons so transferred, at the expense of the District of Columbia.

If as a result of examination, the staff of Gallinger Municipal Hospital shall find that any person detained in Gallinger Municipal Hospital pursuant to the provisions of this section is of sound mind, he shall be discharged forthwith by said Gallinger Municipal Hospital, and the petition, if any, shall be dismissed.

Any petition filed in the equity court for a writ de lunatico inquirendo or for an order of commitment of any alleged insane person, shall be referred by the court to the Commission for report and recommendation within such time as the court may designate, not exceeding 7 days, which time may be extended by the court for good cause shown, and in such event the period of temporary commitment in St. Elizabeths Hospital may be extended by the court for such additional time as the court shall deem necessary. The Commission shall examine the alleged insane person and any other person, including any suggested by the alleged insane person, his relatives, friends, or representatives, whose testimony may be relevant, competent, and material upon the issue of insanity; and the Commission shall afford opportunity for hearing to any alleged insane person, his relatives, friends, or representatives. At all hearings the alleged insane person shall have the right to be represented by counsel.

The Commission is hereby authorized to conduct its examination and hearings of cases elsewhere than at the offices of said Commission in its discretion, according to the circumstances of the case.

If in the determination of the Commission he be found not to be sane, then it shall be the duty of the Commission to apply to the court for a date for a hearing. In all cases before said hearing the said Commission shall cause to be served personally upon the patient a written notice of the time and place of final hearing at least 5 days before the date fixed. Five days' notice of the time and place of the hearing shall in all cases be mailed to or served upon the applicant, but in case the applicant is not the husband, wife, or nearest relative, the notice shall be mailed to or served upon the husband, wife, or nearest relative, if possible. The notice shall contain a statement that if the patient desires to oppose the application for a final order of commitment he may appear personally or by attorney at the time and place fixed for the hearing. Proof of service shall be made at the hearing. The court may in its discretion appoint an attorney or guardian ad litem to represent the alleged insane person at any hearing before the court, or before the court and jury, and shall allow the attorney or guardian ad litem so appointed a reasonable fee for his services. Such fees may be charged against the estate or property, if any, of the alleged insane person.

If a demand is made for a jury trial, the chief executive officer of St. Elizabeths Hospital shall see that the patient has been given opportunity to appear personally or by attorney at the hearing and assist him in communicating with his friends, relatives, or attorney. If the chief executive officer shall certify that in his opinion it would be prejudicial to the health of the patient or unsafe to produce the patient at the inquiry, then such patient shall not be required to be produced.

Proof of service of the required notices shall be made at the hearing.

SEC. 3. Upon the receipt of the report and recommendation of the Commission a copy shall be served personally upon the alleged insane person, his guardian ad litem, or his attorney, if he has one, together with notice that he has 5 days within which to demand a jury trial. A demand for hearing by the court, or a demand for jury trial for the purpose of determining the sanity or insanity of the alleged insane person may be made by the said alleged insane person or by anyone in his behalf, or a jury trial may be ordered by the court upon its own motion. If demand be made for a jury trial, or such trial be ordered by the court on its own motion, the case shall be calendared for trial not more than 10 days after demand for hearing by the court for a jury trial, unless the time is extended by the court. The Commission, or any of the members thereof, shall be competent and compellable witnesses at any trial or hearing of an alleged insane person. In any case in which a commitment at public expense, in whole or in part, is sought, the corporation counsel or one of his assistants shall represent the petitioner unless said petitioner shall be represented by counsel of his or her own choice.

SEC. 4. The jury to be used in lunacy inquisitions in those cases where a jury trial shall be demanded or ordered shall be empaneled, upon order of the court, from the jurors in attendance upon other branches of the District Court of the United States for the District of Columbia, who shall perform such services in addition to and as part of their duties in said court.

SEC. 5. If no demand be made for a jury trial, the judge holding court shall determine the sanity or insanity of said alleged insane person, but such judge may, in his discretion, require other proofs, in addition to the petition and report of the Commission, or such judge may order the temporary commitment of said alleged insane person for observation or treatment for an additional period of not more than 30 days. The judge may, in his discretion, dismiss the petition, notwithstanding the recommendation of the Commission. If the judge be satisfied that the alleged insane person is of sound mind, he shall forthwith discharge such person and dismiss the petition.

SEC. 6. If the judge be satisfied that the alleged insane person is insane, or if a jury shall so find, the judge may commit the insane

person as he in his discretion shall find to be for the best interests of the public and of the insane person. In case of a temporary commitment, the court may make additional temporary commitments upon further examination by, and recommendation of, the Commission.

SEC. 7. Recommendations of the Commission must be made by the unanimous recommendation of the three members acting upon the case. If the three members of the Commission be unable to agree upon the recommendation to be made in any case, they shall immediately file with the court a report setting forth the fact that they are unable to agree on the case, and in that event the court shall hear and determine the case, unless the alleged insane person, or someone in his behalf, shall demand a jury trial, in which event the case shall be heard and determined by the court and a jury.

If the Commission shall agree upon a recommendation, it shall file with the court a report setting forth its findings of fact and conclusions of law and its recommendation based thereon which recommendation shall be in one of the following forms:

(A) That the person is of sound mind and should be discharged forthwith and the petition dismissed.

(B) That the mental condition of the alleged insane person is such that a definite diagnosis cannot be made without further study, or that the mental incapacity of said person will probably be of short duration, and that said person should be further detained and committed in St. Elizabeths Hospital as hereinbefore provided for, or in any other hospital in the District of Columbia as provided in the act approved April 27, 1904, for further observation or treatment for such period of time as the court may determine, during which said time the Commission shall from time to time examine said person and make a recommendation to the court as to the final disposition of the case.

(C) That the person is of unsound mind and (1) should be committed to St. Elizabeths Hospital, or any other hospital provided by section 4 of the act approved April 27, 1904, (a) at public expense, or (b) at the expense of those persons who are required by law, or who will agree to pay for the maintenance and treatment of said insane person, or (c) that the relatives of said insane person, mentioned in section 11 of this act are able to pay a specified sum per month toward the support and maintenance of said insane person; (2) is harmless and may safely be committed to the care of his relatives or friends (naming them) who are willing to accept the custody, care, and maintenance of said insane person under conditions specified by the Commission; (3) should be committed to the Administrator of Veterans' Affairs for care and treatment in a Veterans' Administration facility: *Provided*, That there shall be filed with the court or Commission a certificate executed by said Administrator or his duly authorized representative, showing said person is entitled to such care and treatment and that facilities therefor are available.

SEC. 8. If an insane person be found by the Commission, subject to the review of the court, not to be a resident of the District of Columbia, he may be committed by the court to St. Elizabeths Hospital as a District of Columbia patient until such time as his residence shall have been ascertained. Upon the ascertainment of such insane person's residence in some other jurisdiction, he shall be transferred to the State of such residence. The expense of transferring such patient, including the traveling expenses of necessary attendants to insure his safe transfer, shall be borne by the District of Columbia only if the patient be indigent.

Any insane person found by the Commission to have been a resident of the District of Columbia for more than 1 year prior to the filing of the petition, and any person found within the District of Columbia whose residence cannot be ascertained, who is not in confinement on a criminal charge, may be committed by the court to, and confined in, said St. Elizabeths Hospital, or any other hospital in said District, which, in the judgment of the Commission of said District, is properly constructed and equipped for the reception and care of such persons, and the official in charge of which, for the time being, is willing to receive such persons.

"Resident of the District of Columbia," as used in this section means a person who has maintained his principal place of abode in the District of Columbia for more than 1 year prior to the filing of the petition provided for in section 1 of this act.

If it appears that a person found to be insane is harmless and his or her relatives or committee of his or her person are willing and able properly to care for such insane person at some place or institution other than St. Elizabeths Hospital, the judge may order that such insane person be placed in the care and custody of such relatives or such committee upon their entering into an undertaking to provide for such insane person as the court may direct.

SEC. 9. The father, mother, hubsand, wife, and adult children of an insane person, if of sufficient ability, and the committee or guardian of his or her person and estate, if his or her estate is sufficient for the purpose, shall pay the cost to the District of Columbia of his or her maintenance, including treatment in St. Elizabeths Hospital or in any other hospital to which the insane person may be committed. It shall be the further duty of said Commission to examine under oath the father, mother, husband, wife, adult children, and committee, if any, of any alleged insane person whenever such relatives live within the District of Columbia, and to ascertain the ability of such relatives or committee, if any, to maintain or contribute toward the maintenance of such alleged insane person: *Provided*, That in no case shall said relatives or committee be required to pay more than the actual cost to the District of Columbia of maintenance of such alleged insane person.

If any person hereinabove made liable for the maintenance of an insane person shall fail so to provide or pay for such maintenance, the court shall issue to such person a citation to show cause why he should not be adjudged to pay a portion or all of the expenses of maintenance of such patient. The citation shall be served at least 10 days before the hearing thereon. If, upon such hearing, it shall appear to the court that the insane person has not sufficient estate out of which his maintenance may properly be fully met and that he has relatives of the degrees hereinabove mentioned who are parties to the proceedings, and who are able to contribute thereto, the court may make an order requiring payment by such relatives of such sums as it may find they are reasonably able to pay and as may be necessary to provide for the maintenance of such insane person. Said order shall require the payment of such sums to the Board of Public Welfare annually, semiannually, or quarterly as the court may direct. It shall be the duty of the Board to collect the said sums due under this section, and to turn the same into the Treasury of the United States to the credit of the District of Columbia. And such order may be enforced against any property of the insane person or of the person liable or undertaking to maintain him in the same way as if it were an order for temporary alimony in a divorce case.

SEC. 10. Any insane person who has been committed to St. Elizabeths Hospital or any other hospital, and who shall have been released from such hospital as improved, or who shall have been paroled from such hospital (but who shall not have been discharged as cured), and who shall have been absent from the hospital on release or parole for a period of 6 months or longer, shall have the right to appear before the District Court of the United States for the District of Columbia for a hearing to determine the sanity and right to restoration to the status of a person of sound mind of said insane person by filing a petition therefor with the court upon a form to be provided by the Commission for that purpose. It shall be the duty of the Commission to make an examination of the records of St. Elizabeths Hospital of the insane person as may be necessary to determine such questions, and if necessary have the person examined by the members of the staff of St. Elizabeths Hospital and to make a report and recommendation to the court. In the event the Commission shall find from the records and examination that the said person is of sound mind and shall recommend to the court the restoration of said person to the status of a person of sound mind such recommendation shall be sufficient to authorize the court to enter an order declaring such person to be restored to his or her former legal status as a person of sound mind. In the event the Commission shall find such person to be of unsound mind, it shall report that finding to the court. Upon the filing by the Commission of a report finding such person to be of unsound mind, the insane person shall have the right to a hearing by the court or by the court and a jury. For the purpose of making the examination and observations required by this section, the Commission shall have the right to examine the records and to interrogate the physicians and attendants at St. Elizabeths Hospital or any other hospital in which such patient shall have been confined, who have had the insane person under their care, and the Commission may recommend to the court the temporary recommitment of such person for said purpose. At such trial by the court or by the court and jury, an adjudication shall be made as to whether the person is of sound mind or is still of unsound mind.

SEC. 11. The same fees and mileage as are paid in the courts of the United States shall be paid in the case of witnesses subpenaed under the provisions of this act.

SEC. 12. The court in its discretion may require the petitioner to file an undertaking with surety to be approved by the court in such amount as the court may deem proper, conditioned to save harmless the respondent by reason of costs incurred, including attorneys' fees, if any, and damages suffered by the respondent as a result of any such action.

SEC. 13. All applications and certificates for commitment and confinement of any patient to any hospital in the District of Columbia for the care and the treatment of the insane must be made on forms approved by the Commission and furnished by it.

SEC. 14. Any person who executes a verified petition or affidavit as provided in this act, by which he or she secures or attempts to secure the apprehension, detention, or restraint of any other person in the District of Columbia without probable cause for believing such person to be insane or of unsound mind, or any physician who knowingly makes any false certificate or affidavit as to the sanity or insanity of any other person, shall, upon conviction thereof, be fined not more than $500 or imprisoned not more than 3 years, or both.

SEC. 15. Nothing contained in this act shall deprive the alleged insane person of the benefit of existing remedies to secure his release or to prove his sanity, or of any other legal remedies he may have.

SEC. 16. All acts or parts of acts in conflict herewith are hereby repealed.

SEC. 17. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

With the following committee amendments:

Page 2, line 9, after "ill", strike out the remainder of the line and the word "petition" in line 10 and insert "may, upon his own written application, in the discretion of the chief psychiatrist of Gallinger Municipal Hospital."

Page 3, line 6, after "Hospital", strike out "for a period not exceeding 48 hours and thereafter" and insert "and."

Page 3, line 8, after "Hospital", strike out "within said period of time."

Page 3, line 9, after "for", strike out "an additional" and insert "a."

Page 3, line 11, after "within", strike out "48 hours" and insert "5 days."

Page 3, line 13, strike out "If said" and all of lines 14, 15, 16, 17, and line 18 through the word "Hospital" and insert "The Superintendent of Gallinger Municipal Hospital may transfer such person to St. Elizabeths Hospital at any time within 30 days after his apprehension and detention."

Page 4, after line 2, insert a new paragraph as follows:

"If any person while a patient in Gallinger Municipal Hospital being observed for his or her mental condition cannot be cared for or treated adequately in said hospital or if such person be in need of treatment which cannot be given properly in said hospital, then the superintendent of Gallinger Muncipal Hospital may effect the transfer and temporary commitment of such person to St. Elizabeths Hospital by executing a petition as provided by section 1 of the act approved June 8, 1938, accompanied by the certificate of the chief psychiatrist of Gallinger Muncipal Hospital setting forth that said patient is of unsound mind, cannot be cared for or treated adequately in Gallinger Municipal Hospital, should not be allowed to remain at liberty and go unrestrained, and that said patient is a fit subject for treatment in St. Elizabeths Hospital on account of his mental condition. The superintendent of St. Elizabeths Hospital is authorized to receive and detain any patient so transferred from Gallinger Municipal Hospital at the expense of the District of Columbia pending his formal commitment or other order of the court."

Page 5, line 10, after "Hospital", strike out "for a further period not exceeding 48 hours, and thereafter" and insert "and."

Page 5, line 12, after "Hospital", strike out "within said period of time."

Page 5, line 13, after "for", strike out "an additional" and insert "a."

Page 5, line 14, after "days", insert "from the time of his apprehension and detention."

Page 5, line 16, after "within", strike out "said first-mentioned period of 48 hours" and insert "the aforementioned period."

Page 5, line 19, after "shall", strike out "fail, within 48 hours after the filing of said petition, to."

Page 5, line 20, after "of" strike out "sound mind" and insert "unsound mind and suitable for treatment by reason of mental illness."

Page 5, line 22, after "Hospital" strike out "shall" and insert "may."

Page 8, line 4, after "the" strike out "chief executive officer" and insert "superintendent of Gallinger Municipal Hospital or."

Page 8, line 9, after "the" strike out "chief executive officer" and insert "superintendent."

Page 10, after line 12, insert a new paragraph as follows:

"The judge may commit the insane person to the custody of the Veterans' Administration for care and treatment in a Veterans' Administration facility, if there has been filed with the court or the Commission on Mental Health, acting under the direction of the court, a certificate executed by the Administrator of Veterans' Affairs, or his duly authorized representative, showing said insane person to be entitled to such care and treatment, and that facilities therefor are available."

Page 18, after line 16, insert a new section as follows:

"SEC. 16. Section 2 of the act approved June 8, 1938, is hereby amended by deleting the words 'for such service the alternate shall receive $10 for each day of actual service' and inserting in lieu thereof the following: 'For such service the alternate shall receive, for each day of actual service, the same compensation as fixed in accordance with the provisions of the Classification Act of 1923, as amended, for the lawyer member of the Commission.' "

Page 19, line 1, strike out "16" and insert "17."

Page 19, line 3, strike out "17" and insert "18."

Mr. MILLER. Mr. Speaker, may I ask the gentleman from West Virginia if the amendments reported provide for voluntary commitment? Are these the so-called Vreeland amendments that have been discussed?

Mr. RANDOLPH. That is true; the bill provides for voluntary commitment.

Since the gentleman has asked this question, I believe the House ought to have just a brief explanation of this measure. We believe it is necessary to pass at this time legislation in connection with the lunacy situation in the District of Columbia. This bill will help to alleviate certain acute conditions that exist at Gallinger Hospital, an institution in which the gentleman has expressed considerable concern.

This bill will permit the superintendent of that hospital to transfer a patient who is found to be insane to St. Elizabeths Hospital for a temporary period, pending commitment or release. At the present time such patients must be held in Gallinger Hospital, and the psychopathic ward there is not equipped to handle these cases. I may say that the gentleman from New Jersey [Mr. VREELAND] has spent considerable time preparing this legislation, and to him and others who aided him I believe thanks are due. This bill has the approval of the Commissioners of the District of Columbia and of the health officer.

Mr. MILLER. If the gentleman will yield further, may I just say the whole committee deserves a great deal of credit, because they are going to relieve a situation at Gallinger Hospital that has been causing untold suffering, a condition for which the hospital authorities are not responsible, a condition which has just grown up. I believe nothing has been done for the District of Columbia that should prove so beneficial as the adoption of this bill. I hope the committee at the next session will give further study to the situation and elaborate and improve it, which I know they have in mind.

Mr. RANDOLPH. I thank the gentleman from Connecticut.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 7314) to amend the act of Congress known as the District of Columbia Alcoholic Beverage Control Act, as amended, to permit the sale of beer to persons seated in automobiles parked upon the premises of the permittee in the District of Columbia, and request that the bill be given immediate consideration.

The Clerk read the title of the bill.

Mr. SHAFER of Michigan. Mr. Speaker, I object to the immediate consideration of the bill.

The SPEAKER. This bill is on the House Calendar, and the gentleman from West Virginia has the right, under the rules, to call up the bill.

Mr. RANDOLPH. Mr. Speaker, I move the previous question, although I shall be pleased to explain the bill.

Mr. SHAFER of Michigan. Mr. Speaker, I demand to be heard on the bill.

The SPEAKER. The gentleman from West Virginia is in control of the time.

Mr. RANDOLPH. Mr. Speaker, I wish to make this explanation. I attempt always to cooperate with members of the Committee on the District of Columbia and I want to do so in this instance. Although personally I do not drink either beer or liquor, I can say to you that the committee gave most careful consideration to this bill. I personally would not be a party to any measure which I felt would increase drinking and lead to reckless driving. I honestly do not think this legislation would have any such effect.

Mr. SHAFER of Michigan. Mr. Speaker——

Mr. RANDOLPH. Just a moment. I have the floor. I am trying to be very courteous to the gentlemen and assist him. I have no disposition, if the gentleman from Michigan feels very strongly in his objection to the bill, although the measure was properly considered on last Friday by the committee and I am sorry the gentleman was not present to insist on its consideration at this time.

Mr. SHAFER of Michigan. Mr. Speaker, a point of order.

The SPEAKER. The Chair understood the gentleman from West Virginia to say that he was willing to withdraw the bill.

Mr. NICHOLS. Mr. Speaker, I move the previous question on the bill.

The SPEAKER. The bill has not yet been read. The Clerk will report the bill.

Mr. SHAFER of Michigan. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. SHAFER of Michigan. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. SHAFER of Michigan. Mr. Speaker, I withdraw my point of order.

The SPEAKER. The point of order is withdrawn. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of section 11, paragraph (g), of the District of Columbia Alcoholic Beverage Control Act, as amended, as reads as follows: "In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits and wine, except light wines, shall be sold or served only to persons seated at public tables, and beer and light wines shall be sold and served only to persons seated at public tables or at bona fide lunch counters, except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board" be amended to read as follows: "In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits and wine, except light wines, shall be sold or served only to persons seated at public tables, and beer and light wines shall be sold and served only to persons seated at public tables or at bona fide lunch counters, except that beer may be sold to persons seated in vehicles parked entirely upon the premises of the licensee, and except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board"; and that so much of section 11, paragraph (h), of such act, as amended, as reads as follows: "In the case of restaurants, taverns, and passenger-carrying marine vessels and club cars or dining cars on a railroad said beer and light wines shall be sold or served only to persons seated at public tables or at bona fide lunch counters, except that beer and light wines may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board" be amended to read as follows: "In the case of restaurants, taverns, and passenger-carrying marine vessels and club cars or dining cars on a railroad, said beer or light wines shall be sold or served only to persons seated at public tables or at bona fide lunch counters, except that beer may be sold to persons seated in vehicles parked entirely upon the premises of the licensees, and except that beer and light wines may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board."

SEC. 2. The amendments made by this act shall take effect immediately following its enactment.

Mr. RANDOLPH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER of Michigan. Mr. Speaker, I dislike very much to take the floor in opposition to this legislation, but, in my opinion, it is highly dangerous and never should have been reported by the committee.

Briefly, this bill legalizes the drinking of intoxicating beverages by motorists in automobiles. I cannot think of a more ridiculous situation. While citizens of the District of Columbia are demanding a reduction in the heavy traffic-death toll in Washington, Congress is asked to place its stamp of approval on a practice that would, no doubt, greatly increase the traffic hazards. I, for one, have no desire to support such a proposition, and I would consider myself derelict in my duty if I failed actively to oppose such a measure.

This bill would permit the serving of alcoholic beverages, wine and beer, on service trays attached to automobiles parked in the immediate vicinity of licensed premises. It was not written until after the Alcoholic Beverage Control Board abolished such a practice in a ruling last June 1. This ruling was issued after the Corporation Counsel had given an opinion holding such service of wines and beer illegal.

I am in possession of a copy of a memorandum to the Alcoholic Beverage Control Board by Elwood H. Seal, Corporation Counsel. This memorandum contains the reasons on which the Alcoholic Beverage Control Board predicated its ruling. I do not have the time to include this memorandum in my statement but will place it in the Appendix of the CONGRESSIONAL RECORD as an extension of remarks.

This memorandum points out that when young people park their automobiles on licensed premises and are served beer and wine while seated in their automobiles, they are served by young men and young women who are more interested in the tips they receive than in seeking to ascertain whether their customers are of legal age and other details. As a result, many minors are served and are permitted to drink beer and wines on properties of licensees. Abuses in the service of intoxicating beverages under such conditions caused, I am told, the Board's ruling.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. SHAFER of Michigan. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Did the gentleman make the statement that the Alcoholic Beverage Control Board is against this proposed legislation?

Mr. SHAFER of Michigan. The ruling of the Board speaks for itself. However, I do possess the memorandum of the corporation counsel to the Board, which, in conclusion, states:

For the reasons stated herein we believe the practice of selling beverages as indicated above to be not only an exceedingly dangerous one but also clearly illegal.

It is true that such service has been permitted a number of licensees for several years under an opinion in 1933 by the then United States attorney, who held that trays attached to automobiles were tables. The present corporation counsel, however, has held that trays are not tables, and that persons desiring to be served alcoholic beverages must be seated at tables within the premises of licensees. This bill is legislation to benefit a certain few who have been giving such curb service, the most prominent being the so-called hot shoppes of the District.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SHAFER of Michigan. I yield to the gentleman from Pennsylvania.

Mr. RICH. Are there other places besides the hot shoppes where they can be served in this way?

Mr. SHAFER of Michigan. There are other places; yes. I could give you the names but do not have them at the moment. The Alcoholic Beverage Control Board has given these places the privilege of serving people in automobiles while the automobiles in which they were seated were parked on the private property of such restaurants.

Mr. RICH. And if we want to cut down the death rate from automobile accidents, we ought to observe the admonition, "When you drive don't drink. When you drink, don't drive."

Mr. SHAFER of Michigan. That is correct.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. SHAFER of Michigan. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Of course, the gentleman knows that if you drive up to one of these hot shoppes, as mentioned, and walk 3 or 4 feet from your automobile and sit down at a table, you can drink all you want of beer or hard liquor either.

Mr. SHAFER of Michigan. I believe that is correct.

Mr. NICHOLS. This measure only provides that beer can be served to a person sitting in his automobile, and not hard liquor.

Mr. SHAFER of Michigan. While they are inside of those places, however, the proprietor is in a position to ascertain the age of his customer and when his customer has had a sufficient amount of intoxicating liquors. He is in a position also to tell, when the customer walks out of his place, whether the customer is too intoxicated to drive.

Mr. NICHOLS. There has not been a single prosecution for selling such liquor to a minor in the District of Columbia, I am told by the corporation counsel's office this morning.

Mr. SHAFER of Michigan. I am sorry I have not the time to give you further information regarding this legislation. In closing, I repeat that it is, to my mind, extremely dangerous and should be defeated. [Applause.]

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I recall in 1933, when repeal became effective in the whole country, it was necessary to draft enabling legislation for the District of Columbia. I was one of those who fought for weeks drafting such legislation. I recall very vividly the discussions we had at that time about elbow bending or whether the bend should be in

the knee or whether you should drink perpendicularly or whether you had to sit down and drink. All that was threshed out at that time and we drafted an enabling act.

Mr. SHAFER of Michigan. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Will the gentleman wait until I finish my statement?

Mr. SHAFER of Michigan. Will the gentleman yield right there? If I recall correctly, the gentleman was the author of legislation introduced here in the last session of Congress which sought to permit the drinking of beer at bars in the District of Columbia.

Mr. DIRKSEN. If the gentleman had examined that bill, he would have noticed that on the bill there were the words "by request." Of course, Mr. Speaker, there come times when we have to amend the original act, and one of these times is before us now. It is, in a sense, unlawful for anyone to drive into one of these roadside barbecues, sit in his automobile, and be served with beer while in the car. Of course, he can get out and walk probably 10 feet and sit at a table and receive not only beer but light wines and high wines and hard liquor. The bill before us simply amends the act in this respect. It seeks to make it lawful to serve beer to people who are sitting in automobiles. It does not authorize anything further than that—merely to serve beer to people sitting in automobiles that are on the premises of the licensee. There may be something to what the gentleman from Michigan [Mr. SCHAFER] says, although I doubt it. I am constrained to go along with the bill, for this reason. It is being done thousands of times a day in the District of Columbia. You can go to many places where they are doing it right along, and I venture to say there are present now those who have driven up to one of these A. & W. shops or some other stands and been served with beer.

Mr. SHAFER of Michigan. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Mr. Speaker, because it does continue, because it is not a glaring violation in any sense, it seems to me the proper thing for us to do is to take the curse of legal violation away from them and to legalize and authorize this practice, because it goes on everywhere; and since the bill limits it to beer, I, for one, can see no particular harm being done.

This practice is legal in many other States, and, insofar as I am aware, no complaint has been made that it is harmful or inimical to public morality or that it has promoted increased drinking. At the time the sale of beverages in the District of Columbia was legalized, much was said of the necessity of encouraging the use of beer and discouraging the consumption of hard liquors. If such is the case, this measure would have precisely that effect.

Mr. RANDOLPH. Mr. Speaker, I move the previous question.

Mr. MICHENER. Mr. Speaker, will the gentleman yield to me before he does that?

Mr. RANDOLPH. Yes.

Mr. MICHENER. I just came on the floor. As I understand it, this bill would legalize the serving of beer to people sitting in automobiles.

Mr. RANDOLPH. It would legalize the serving of beer on a tray, outside.

Mr. MICHENER. The person driving the car would not have to get out of the car to get the beer?

Mr. RANDOLPH. That is correct.

Mr. MICHENER. Has the gentleman ever given any thought to this idea, that if a person is buying beer at a table, before he starts then to drive his car, he would have to demonstrate that he could walk from the table to the car, and if beer is served to one in a car, the proprietor or anyone else would not be able to tell whether he could walk or not before he drove away.

Mr. RANDOLPH. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, nobody would ever accuse me of being a prohibitionist. I have always been against the eighteenth amendment and I favored its repeal. I was chairman of the subcommittee that heard the Cullen bill that authorized the sale of beer throughout the United States. This bit of legislation seems to be far-reaching when it permits the sale of beer in the District of Columbia to people sitting in automobiles, after which those people can go along on the highway with their destruction of life. [Applause.]

Mr. SCHULTE. Is it not true that if we had passed the 12-cent milk bill, there would be no necessity for this beer bill?

Mr. RANDOLPH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was rejected.

MOUNT OLIVET ROAD NE., WASHINGTON, D. C.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5144) to authorize the board of directors of the Columbia Institution for the Deaf to dedicate a portion of Mount Olivet Road NE., and to exchange certain lands with the Secretary of the Interior, to dispose of other lands, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 6, after "and" insert "exchange."
Page 2, line 15, after "park" insert "and playground."
Page 2, line 21, after "estate" insert ", now owned by the Columbia Institution for the Deaf or acquired by exchange under section 2 of this act."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

Mr. RANDOLPH. Mr. Speaker, I may say in answer to the inquiry of the gentleman from Massachusetts that the amendments simply clarify the language of the bill and have the approval of the National Capital Park and Planning Commission and the District Commissioners.

Mr. MARTIN of Massachusetts. There are no material changes in the bill?

Mr. RANDOLPH. None at all; simply clarification.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

Mr. RANDOLPH. Mr. Speaker, this concludes the business on the District of Columbia Calendar for today.

INTERLOCKING BANK DIRECTORATES

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (S. 2150) to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes"; and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2150) to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act, having met, after full and free

conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "1943"; and the House agree to the same.

EMANUEL CELLER,
ZEBULON WEAVER,
U. S. GUYER,
Managers on the part of the House.

ROBERT F. WAGNER,
CARTER GLASS,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2150) to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate bill provided an exception to the provision of section 8 of the Clayton Act (relating to the elimination of interlocking bank directorates under certain conditions) that until February 1, 1944, a director, officer, or employee, of a member bank of the Federal Reserve System, or any branch thereof, who was lawfully serving on August 23, 1935, as a private banker or as a director, officer, or employee of any other banking institution or branch thereof, may continue such service. The House amendment provided that the exception should be extended until February 1, 1941. The conference agreement extends the exception to February 1, 1943.

EMANUEL CELLER,
ZEBULON WEAVER,
U. S. GUYER,
Managers on the part of the House.

Mr. CELLER. Mr. Speaker, this is a simple proposition. It concerns interlocking bank directors. Where a man is a director of a member bank of the Federal Reserve System he cannot at the same time be a member of any other banking institution, but this bill gives him an opportunity to remain on the two boards until 1943. It is the result of a compromise between the House and Senate conferees.

Mr. RICH. Mr. Speaker, I think the legislation is good in extending the time, but I think also the legislation was injurious when it was first made, because it was too drastic. Many men in business who were interlocking directors, not to any great extent but with the idea of trying to do good, sound business on several institutions, were deprived from being granted loans. That was injurious not only to the individual but to the bank.

Mr. CELLER. Of course, that is water over the dam. We have decided that there must be an end to the duplication of directors, but this extends the time. That is all it does.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

DISABILITY ALLOWANCES FOR WORLD WAR VETERANS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREEN. Mr. Speaker and my colleagues, I have just placed on the Speaker's desk petition No. 19. This petition calls for the discharge of the World War Veterans' Legislative Committee from further consideration of H. R. 5074, and will automatically, of course, bring this important bill up for a vote on the floor of the House.

H. R. 5074 is a bill entitled "To reenact the law providing for disability allowances for World War veterans and to restore former service-connected disability status." Under the provisions of this bill, all disabled World War veterans who have had 90 days' or more service during the World War will be entitled to pension benefits if they have 10 percent or greater disability.

I am sure my colleagues have experienced great difficulty at this time in obtaining service connection of compensation claims for their veteran constituents. It has now been some 20 years since the World War veterans were discharged from the service and it is most difficult for them to obtain evidence connecting their disabilities with the service. There are a large number in my district who are, in fact, service connected but are unable to produce adequate evidence to authorize service connection. This bill, of course, will take care of them and, in fact, will take care of all veterans who have 10 percent or greater disability, even though same is not service connected.

World War veterans are now, many of them, getting well on in years, and a large percentage of them who do not draw compensation are unable to follow any gainful occupation. Thousands of them are in destitute circumstances and are seeking relief employment. I have in mind a number of veterans in my district who are unable to provide for themselves and their families, and this inability is brought about by disability largely due to their service. Through the passage of this bill, these veterans and their families will be substantially benefited and thousands of them will be enabled to leave the relief rolls and live an independent life with at least partial security.

This bill will restore the Disability Allowance Act which was repealed through the Economy Act of 1933. By passing this bill the Congress will to a large extent cancel the grave wrong which was done to ex-service men through the Economy Act of 1933. In addition to pension benefits for non-service connected disabilities, the bill provides for a 10 percent increase in existing service-connected compensation. The financial requirement of practically every veteran and his family is now greater than when his compensation was allowed. This bill will give to him and his family a small increase which is in most cases sorely needed.

I strongly commend this bill to my colleagues and trust that every Member of the House will promptly sign the petition and bring the bill to a vote on the floor before adjournment. The disabled veterans of this Nation are looking to the Congress patiently and anxiously, with the hope that relief can be accorded them before adjournment.

Copy of the bill follows:

Be it enacted, etc., That the second and third paragraphs of section 200 of the World War Veterans' Act, 1924, as amended (U. S. C., Supp. VII, title 38, sec. 471), is hereby reenacted to read as follows:

"On and after the date of the reenactment of this paragraph any honorably discharged ex-service man who entered the service prior to November 11, 1918, and served 90 days or more during the World War, and who is or may hereafter be suffering from 10 percent or more permanent disability, as defined by the Administrator of Veterans' Affairs, not the result of his own willful misconduct, which was not acquired in the service during the World War, or for which compensation is not payable, shall be entitled to receive a disability allowance at the following rates: 10 percent permanent disability, $12 per month; 25 percent permanent disability, $20 per month; 50 percent permanent disability, $30 per month; 75 percent permanent disability, $40 per month; total permanent disability, $60 per month. No disability allowance payable under this paragraph shall commence prior to the date of the reenactment of this paragraph or the date of application therefor, and such application shall be in such form as the Administrator may prescribe: *Provided*, That no disability allowance under this paragraph shall be payable to any person not entitled to exemption from the payment of a Federal income tax for the year preceding the filing of application for such disability allowance under this paragraph. In any case in which the amount of compensation hereafter payable to any person for permanent disability under Public Law No. 2, Seventy-third Congress, and acts amendatory thereof and supplementary thereto, is less than the maximum amount of the disability allowance payable for a corresponding degree of disability under the provisions of this paragraph, then such person may receive such disability allowance in lieu of compensation. Nothing in this paragraph shall be construed to allow the payment to any person of both a disability allowance and compensation during the same period; and all payments made to any person for a period covered by a new or increased award of disability allowance or compensation shall be deducted from the amount payable under such new or increased award. The Secretary of the Treasury is hereby directed, upon the request of the Administrator, to transmit to the Administrator a certificate stating whether a veteran who is applying for a disability allowance under this paragraph was entitled to exemption from the payment of a Federal income tax for the year preceding the filing of application for the disability allowance and such certificate shall be conclusive evidence of the facts stated therein: *Provided further*, That any World War veteran who has drawn service-connected disability compensation for any period of 12 months since his or her discharge and who is not now drawing compensation shall be automatically restored to his or her former maximum compensation status: *and provided further*, That existing service-connected disability compensa-

tion rates of World War veterans and their widows and orphans shall be automatically increased 10 percent."

SEC. 2. This act shall take effect on the first day of the first calendar month following the month during which this act is enacted.

[Here the gavel fell.]

Mr. GREEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a copy of the bill, H. R. 5074.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

INCREASE OF MILITARY AND NAVAL ESTABLISHMENTS OF AMERICAN REPUBLICS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H. J. Res. 367) to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. FISH. Reserving the right to object, Mr. Speaker, I hope there will be no objection to this bill. The resolution helps sustain the Monroe Doctrine and develop friendship and good relations in South American countries. I hope there will be no objection on either side. It was reported by unanimous vote of the committee.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. BLOOM. With pleasure. This resolution, Mr. Speaker, permits the American republics to purchase from the United States, warships, munitions of war, and materials of war without any cost or expense to this Government. This is specifically stated in the bill, and, as has already been stated, this bill was reported unanimously by the committee.

Mr. MARTIN of Massachusetts. Cannot the South American Republics do that now?

Mr. BLOOM. No; they cannot do that without this special legislation. It is necessary to have this special legislation so as to permit the Secretary of War and the Secretary of the Navy to sell these goods to the South American countries. There is no credit extended in any way. That is specifically provided in the resolution.

Mr. MARTIN of Massachusetts. In the past, when we have sold warships to South America, how has it been done?

Mr. BLOOM. It has been done through private individuals. This resolution is to permit the Government of the United States to do it, something the Government has never done before.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. LUTHER A. JOHNSON. Answering the question of the gentleman from Massachusetts, I may say that the governments of Europe can do this now. This resolution is simply to give to our own Government the same right the governments of Europe exercise in South America today. This would permit the South American countries to acquire these things from our country rather than from Europe. The resolution specifically provides that there shall be no extension of credit. It simply gives them this right to buy these things here for cash. It is in my opinion something that means much to the South American countries and also international comity between them and us.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. RICH. Does this mean that the Government is to be embarked in the proposition of selling arms and ammunition to foreign countries?

Mr. LUTHER A. JOHNSON. If the gentleman from New York will yield, it does not. I may say in answer to the gentleman's question that many of these countries would like to buy certain kinds of guns from us, but because of existing law they have to buy them in Europe. These guns are not made by private manufacturers, but they are manufactured in Government yards. We can furnish them from our Government yards. As I say, the South American countries have been buying them in Europe.

Furthermore, the Department of State wrote letters to these 20 countries asking about it. They were favorable to it. It will be a very fine gesture and a very friendly gesture to these countries of the Americas.

Mr. MARTIN of Massachusetts. How much will they pay for these things; what price will they pay?

Mr. LUTHER A. JOHNSON. They will pay for it as the work progresses—the same price that our own Government pays.

Mr. FISH. The cost of them would be the same as the cost to us.

Mr. BLOOM. It will be on a cost basis.

Mr. MARTIN of Massachusetts. Do I understand that under this resolution we could sell them ships that we have already built? The gentleman understands, of course, that we are handicapped because we have not seen the resolution; it has not been reported yet.

Mr. BLOOM. We shall be very glad to explain it. This resolution provides for building ships.

Mrs. ROGERS of Massachusetts. And, if the gentleman will yield, it was reported out unanimously by the committee.

Mr. BLOOM. The gentlewoman from Massachusetts is correct; it was reported unanimously. It seemed a helpful thing to do for countries who are our fine friends and a measure that would prove very helpful to the United States.

Mr. MARTIN of Massachusetts. I appreciate that, but the membership should be informed just what the bill seeks to do.

Mr. BLOOM. We shall be very glad to answer every question.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. MICHENER. I could not hear the conversation going on down there. Do I understand this resolution contemplates that the United States Government, through its navy yards and its arsenals, is to embark upon the venture of manufacturing munitions of war for sale to other countries?

Mr. BLOOM. No; not exactly that. Let me read that section to the gentleman.

Mr. FISH. It provides only for sale to the American republics.

Mr. BLOOM. It applies merely to the 20 American republics. This permits the United States Government to sell to them at cost for cash.

Mr. MICHENER. Yes. The question of sale is one thing, but the question of manufacture for sale is something else. Does this resolution put the United States Government into the business of manufacturing munitions and implements of war for sale to these particular countries in competition with our private industry, these arms and ammunitions to be sold at cost, while private industry must have a profit?

Mr. BLOOM. No; not any more than what they are doing now. It is not in competition with anyone else; it is merely that we should allow the 20 American republics to get the benefit of what we are doing, what we are manufacturing and buying at the present time.

Mr. MICHENER. I understand that; but what I am getting at is this: We must not lose sight of the forest because we see the trees—this is a new departure; it is a new venture on the part of our Government to embark upon the policy of manufacturing for sale war munitions or anything else.

Mr. BLOOM. But it stands to reason, I may say to the gentleman from Michigan, that if they could buy any of these things from private manufacturers at a less price, or the same material for the same price, they would buy it from the private manufacturer. This resolution, however, is designed merely to give to the South American republics the benefit of what we are doing in this country in the way of protection, so that we can build the ships for them at cost; and we are going to get the benefit of it, because all of this material comes from the United States.

Mr. LUTHER A. JOHNSON. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I would like to answer further the question of the gentleman from Michigan [Mr. MICHENER] by saying there will be no competition whatever with private industry. In fact, the reason for this legislation is that these countries want to buy some of the naval guns that we have upon our own ships and some of our ammunition that we want to let them have. This cannot be manufactured in this country because private industry is not prepared to manufacture it. Take the guns, for instance, upon our naval ships. There is no place in the United States where those guns can be manufactured in private industry. They are manufactured in our navy yards. As a result, these South American countries have had to go to European countries, where there is no law against the government selling these things, and they are being sold over there, while the South American countries want to buy them here.

Mr. MICHENER. My thought is this: As I understand the resolution, this Government will take orders from the South American republics for this material. We do not want to be partial. We want to sell to all comers from South America. We will expand our facilities to meet the demands. This will disarrange our economy.

Mr. LUTHER A. JOHNSON. No. The gentleman's fears are not well founded.

Mr. MICHENER. The result will be that we must of necessity increase our navy-yard capacity. We must increase the number of Government employees used for the purpose of manufacturing these things and we will have large agencies. We will have large navy yards set up and nothing for them to do.

Mr. LUTHER A. JOHNSON. Let me answer the gentleman.

Mr. FISH. May I answer the gentleman by saying if we do not do this, the South American and Latin American countries will go abroad and buy from German, Italian, and English yards. Why discriminate against our own labor? This will provide jobs for American citizens. It will bring money into this country. There will be no credit. This will enable them to do exactly what they do with every foreign nation.

Mr. MICHENER. Yes; but we will have to expand our navy yards and our arsenals.

Mr. LUTHER A. JOHNSON. No; the testimony of the representatives of the War and Navy Departments was that no expansion of facilities would be required since orders would only be filled when we were prepared to do so. Admiral Leahy, Chief of the Bureau of Naval Operations, made a very fine statement as to the purpose and effect of this resolution, and under leave granted I submit herewith his statement before the Foreign Affairs Committee of the House when a hearing was had upon this resolution:

STATEMENT OF ADMIRAL LEAHY TO THE HOUSE COMMITTEE ON FOREIGN AFFAIRS

It is the Navy Department's understanding that the purpose of Senate Joint Resolution 89, insofar as it concerns the Navy, is to provide legislative authority for the use of the Navy's industrial facilities to assist American republics in the improvement of their navies when requests from other American Governments for such assistance are received.

At the present time the Navy Department is advised that the use of Government industrial facilities to assist other American republics is contrary to law, and that the sale of equipment and munitions manufactured in Government industrial plants is also not permitted by existing law. It has therefore been impossible to assist in the development of the navies of American republics by meeting any request for the provision of naval equipment which commercial industry is not prepared to produce without the prior development of facilities with its attendant prohibitive cost, and which the Navy is prepared to furnish without any interference with or delay in its normal program of production for the United States Navy.

This has forced American republics to meet the essential needs of their navies by the purchase of ships, munitions, and equipment in Europe from nations that are not operating under legislative restrictions on the manufacture and sale of naval equipment to foreign governments.

The Navy is prepared to manufacture in its industrial plants such naval equipment beyond the capacity of commercial industry as is likely to be requested by American republics and which can be produced without detriment to the Navy of the United States.

It is my personal opinion that closer relations between the navies and the armies of the American republics will bring about a better understanding of our common defense problems and a closer relationship between the peoples.

Improvements in the naval material of any or all of the South and Central American republics will make more difficult and discourage aggression against this continent from overseas, and should it become necessary for America to support the Monroe Doctrine with its navies, the burden to be borne by the United States Navy will be reduced in exact proportion to the number of efficient ships available to the other Republics of America.

The Navy Department is in favor of the enactment of Senate Joint Resolution 89 in its present form.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That (a) the President may, in his discretion, authorize the Secretary of War to manufacture in factories and arsenals under his jurisdiction, or otherwise procure, coast-defense and antiaircraft matériel, including ammunition therefor, on behalf of the government of any American republic; to sell such matériel and ammunition to any such government; to test or prove such matériel and ammunition prior to sale or delivery to any such government; to repair such matériel on behalf of any such government; and to communicate to any such government plans, specifications, or other information relating to such matériel and ammunition as may be sold to any such government.

(b) The President may, in his discretion, authorize the Secretary of the Navy to construct vessels of war on behalf of the government of any American republic in shipyards under his jurisdiction; to manufacture armament and equipment for such vessels on behalf of any such government in arsenals under his jurisdiction; to sell armament and equipment for such vessels to any such government; to manufacture antiaircraft artillery and ammunition therefor, on behalf of any such government, in factories and arsenals under his jurisdiction; to sell antiaircraft artillery and ammunition therefor to any such government; to test or prove such vessels, armament, artillery, ammunition, or equipment prior to sale or delivery to any such government; to repair such vessels, armament, artillery, or equipment on behalf of any such government; and to communicate to any such government plans, specifications, and other information relating to such vessels of war and their armament and equipment or antiaircraft artillery and ammunition therefor, as may be sold to any such government or relating to any vessels of war which any such government may propose to construct or manufacture within its own jurisdiction: *Provided*, That nothing contained herein shall be construed as authorizing the violation of any of the provisions of any treaty to which the United States is or may become a party or of any established principles or precedents of international law: *And provided further*, That no transaction authorized herein shall result in expense to the United States, nor involve the extension of credits by the United States.

SEC. 2. In carrying out transactions authorized by section 1, the Secretary of War and the Secretary of the Navy are authorized, in their discretion, and provided that it be not inconsistent with any defense requirements of the United States or of its possessions, to communicate or transmit to the government of any American republic or to any duly authorized person for the use of such government information pertaining to the arms, ammunition, or implements of war sold under the terms of that section or to any vessels of war constructed within the jurisdiction of any such government, and to export for the use of any such government coast defense and antiaircraft matériel and ammunition therefor, and vessels of war and their armament and equipment involving such information: *Provided*, That any information thus communicated or transmitted or involved in any such arms, ammunition, implements of war, or equipment when exported shall cease to be considered restricted after 1 year from the date that such communication or transmission has been authorized or such exportation made.

SEC. 3. All contracts or agreements made by the Secretary of War or the Secretary of the Navy for the sale to the government of any American republic of any of the arms, ammunition, or implements of war, the sale of which is authorized by this joint resolution, shall contain a clause by which the purchaser undertakes not to dispose of such arms, ammunition, or implements of war, or any plans, specifications, or information pertaining thereto, by gift, sale, or any mode of transfer in such a manner that such arms, ammunition, implements of war, or plans, specifications, or information pertaining thereto may become a part of the armament of any state other than an American republic.

SEC. 4. The Secretary of War or the Secretary of the Navy, as the case may be, shall, when any arms, ammunition, implements of war, or equipment are exported pursuant to the provisions of this joint resolution, immediately inform the Secretary of State, Chairman of the National Munitions Control Board, of the quantities, character, value, terms of sale, and destination of the arms, ammunition, implements of war, or equipment so exported. Such information shall be included in the annual report of the Board.

SEC. 5. (a) There is hereby authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this joint resolution.

(b) All moneys which may be received from the government of any American republic, in payment for any article delivered or service rendered in compliance with the provisions of this joint resolution, shall revert to the respective appropriation or appropriations out of which funds were expended in carrying out the transaction for which money is received, and such moneys shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year.

SEC. 6. The Secretaries of War and of the Navy are hereby authorized to purchase arms, ammunition, and implements of war produced within the jurisdiction of any American republic if such arms, ammunition, or implements of war cannot be produced in the United States.

Mr. RICH. Mr. Speaker, may I ask the gentleman from New York another question? What effect will this have on what we call neutrality? What effect will our furnishing munitions of war, in order to keep our people in this country busy, have to South American countries? It is a fine thing, of course, to keep our people busy, but it is not such a good thing when we have to go to manufacturing munitions of war in order to do that. What effect is that going to have upon foreign countries?

Mr. BLOOM. It will have no effect at all, because these governments are obligated under the resolution not to sell, convey, or transfer any of these things to any other government. They must keep them for their own specific use and cannot dispose of them under any circumstances.

Mr. RICH. We are trying to be neutral in this country, and the only way to be neutral is to attend to our own business.

Mr. BLOOM. I can assure the gentleman if the Foreign Affairs Committee adopts this resolution by unanimous consent we will remain neutral.

Mr. BOLLES. Mr. Speaker, I object.

The SPEAKER. The gentleman from New York [Mr. BLOOM] long ago obtained unanimous consent for the consideration of the resolution and it has been read.

The question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, House Resolution 269, from the Committee on Rules providing for the consideration of the joint resolution just passed, will be laid on the table.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. The Chair will recognize the gentleman from New York [Mr. CULKIN] for that purpose, but the Chair will not recognize any other Member for that purpose until we have completed consideration of the unfinished business.

Is there objection to the request of the gentleman from New York [Mr. CULKIN]?

There was no objection.

CORRECTION

Mr. CULKIN. Mr. Speaker, on Saturday in the course of debate on the Lea bill I stated that Mr. O'Neill of the Farm Bureau Federation had gone fishing to Florida on a private train with Pelley of the Railroad Association. I made that statement after a complete verification of the fact, I had supposed. I had a call today from Mr. Pelley, a very genial gentleman, and he assured me that he had not gone fishing with Mr. O'Neill. I desire to retract that statement, so far as it may be possible, and ask the House to disregard it.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend the remarks I made on the bill just passed and include therein a statement from Admiral Leahy as to the necessity and wisdom of the legislation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from one of the churches in San Pedro, also a communication from the California committee to support the Wagner Act.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of Ohio. Mr. Speaker, I ask unanimous consent to print in the RECORD a letter I have written to the Assistant Secretary of War and include therein the names of the Confederate officers buried in the Confederate Cemetery at Johnson's Island, Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OF THE INTERSTATE COMMERCE ACT

Mr. LEA. Mr. Speaker, I regret to announce that the gentleman from Maryland [Mr. COLE], who took such an active part in the general debate, is ill and will probably not be able to attend the sessions of the House during the remainder of the consideration of S. 2009. Anyone familiar with the gentleman from Maryland knows the value of the service he has rendered on this matter, and anyone who will read his speech in the RECORD of Saturday will realize the industry and ability he has devoted to this subject.

Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2009, with Mr. JONES of Texas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. At the time the House adjourned last Saturday the first section of the bill had been read.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 199, line 8, after the period and before the quotation marks, insert "All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy."

Mr. WHITTINGTON. Mr. Chairman, we have under consideration section 1, which provides for the title of the bill and contains the declaration of policy. The declaration of the policy to provide for a unified system of national transportation and to preserve the natural advantages of the various types of transportation has been emphasized not only by members of the committee in the general debate but by the committee in its report. The courts have decided that in construing declarations of policy, as I understand, if specific provisions of the act are contradictory or different and do not provide for the execution of that policy, the specific provisions of the body of the act will control. I have in mind the decision of the Supreme Court of the United States which declared invalid the Agricultural Adjustment Act first passed by the administration now in power. There was an admirable declaration of policy in that act, but the court did not follow the declaration of policy, instead basing its decision upon the specific substantive language contained in the bill.

Mr. Chairman, I have no special fault to find with the declaration of policy in this bill. I quote from the section:

It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each.

Reading further in the declaration, I quote:

And preserving a national transportation system by water, highway, and rail, as well as other means.

That "other means" may mean air transport. There were those who advocated the inclusion in this bill the regulation of air commerce, but the bill does not provide for that.

Mr. Chairman, I have offered the amendment that has been reported by the Clerk, which adds at the conclusion of this section the following language:

All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy.

If that declaration means anything, if that declaration is commendable, it can amount to nothing unless it is enforced and administered so that the declaration may be carried out.

I have submitted this amendment to the committee and have had it printed in the Appendix of the RECORD of Saturday, July 22. It may be said that the language of the bill provides for such enforcement. I reply that if such language can be pointed out in any part of this bill, containing more than 100 pages, I will gladly withdraw the amendment. I say that it reenforces and emphasizes and, if possible, gives greater force and validity to the declaration of policy about which we have heard so much.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Texas, the distinguished majority leader.

Mr. RAYBURN. May I say, first, that when bills from the Committee on Interstate and Foreign Commerce are under consideration I always feel that I have a special interest in them.

Of course, a declaration of policy within itself, I believe the gentleman will admit, is sometimes dangerous legislation.

Mr. WHITTINGTON. It certainly is not controlling; that is what I undertook to say.

Mr. RAYBURN. I have had so much to do with questions relating to declarations of policy in railroad legislation that I would rather not go far enough than go too far, not only in the matter of the administration of the act but in connection with matters that may come into the courts.

I have read the amendment a time or two and I am very frank to say to the gentleman from Mississippi, whose judgment on most things I am willing to follow, that I believe, frankly, his amendment, instead of being a clarifying amendment, might cause more trouble in the administration of the law than would be the case if it were left out of the bill. I am frank to say that to the gentleman because I am fearful his words mean little or too much, and that is always my fear about matters of this kind.

Mr. WHITTINGTON. I may reciprocate by saying that, while I yielded for a question, I am glad to have the statement of the distinguished majority leader, and would gladly yield further if he can give us any proof or, as we lawyers say, any evidence.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask uanimous consent, in view of the fact that I yielded, to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. As I stated, I gladly yielded to the distinguished majority leader, and he is entitled to his views. He gave us his views, but with due respect, he did not give us any citation or any sort of proof to support the fact that there might be a contradiction between the declaration and the language I have stated, and while I have a high regard for his views, I respectfully submit that unless the declaration of policy is administered and unless the declaration of policy is enforced, the meaning of the declaration is absolutely lost and there is no effect to be given to the declaration of policy.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from North Carolina.

Mr. WARREN. It is our contention that in not one line or sentence of the bill is the declaration of policy carried out. The amendment offered by the gentleman from Mississippi, certainly, gives force and effect to the declaration, whatever it is, because it is not given force and effect in any other sentence in the whole bill.

Mr. WHITTINGTON. And with due regard to the statement of the distinguished majority leader, all those who advocate the passage of the bill with whom I have talked have said to me that the language I here propose is substantially embraced in the bill and there is no occasion for repetition. No one has undertaken so far, except the distinguished majority leader, to tell me it might lead to some conflict. I emphasize the point made by the gentleman from North Carolina that if the declaration is to mean anything, it must be administered and must be enforced, and there is not any language in the bill, except the language I here propose, that in so many words directly states it shall be enforced and that it shall be administered so as to preserve and carry out the declaration of policy.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman.

Mr. MASON. In further emphasis of what the gentleman from North Carolina said, would the gentleman agree that the purpose of his amendment is to tie down and give effect to the declaration in the bill?

Mr. WHITTINGTON. I not only so agree, but I have so stated that several times.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Does the gentleman feel that if his amendment were adopted it would also help the courts, in interpreting the law, to interpret it so as to follow the policies as declared in the bill?

Mr. WHITTINGTON. I so stated. My whole purpose is to perfect section 1 by supplementing and reenforcing the declaration of policy.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Virginia.

Mr. BLAND. Is it not a fact that today we are having in some legislation a great deal of difficulty because of the failure of certain boards to follow direct legislative expressions in legislation?

Mr. WHITTINGTON. Undoubtedly; and I agree with that part of the statement of the distinguished majority leader when he said it is often dangerous to embody a declaration of policy without provisions for its execution in the specific and substantive law. If the declaration is dangerous, it is unfair and should be stricken from the bill. It is dangerous, I say, to Mr. RAYBURN, the majority leader, to make a declaration unless you mean to carry it out, and for that reason I advocate the adoption of my amendment, which provides for carrying out the declaration. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment. As we proceed with the consideration of this bill, various amendments could be offered everywhere, more or less plausible in sound or terms, but which may have results far from what the House would desire. I think the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON] is unnecessary, to begin with. The bill very plainly, about as plainly as language can be written, provides for the protection of the inherent advantages of water transportation as contrasted with other means of transportation. In fixing rates the water carrier is assured the advantages of the cheaper rate at which he can transport property.

If we will refer, for instance, to section 317 (f), page 260, there is a rule of rate making similar to the rule provided with respect to railroads and other motor carriers, with this provision, that in the exercise of its powers to prescribe reasonable rates, and so forth, the Commission shall give con-

sideration, among other factors, "to the effect of rates upon the movement of traffic; to the need in the public interest, of adequate and efficient water transportation service at the lowest cost, consistent with the furnishing of such service"; and, again, "to the need of revenues sufficient to enable water carriers, under honest, economical, and efficient management to provide such service." That specifically provides for the protection of the advantages that water may have from the standpoint of carrying at cheaper rates.

In section 305 (d), page 259, there is a provision in the case of a through rate, where one of the carriers is a common carrier by water, in which case the Commission may prescribe such reasonable differentials, if any, as it may find to be justified between all-rail rates, and the joint rates in connection with such common carrier by water.

In section 305 (c), page 253, lines 1 to 3, there is a provision to the effect that in the application to water carriers of a prohibition against granting undue, unreasonable preferences or advantages, such provision shall not be construed to apply to discriminations, prejudices, or disadvantage to the traffic of any other carrier of whatever description.

In other words, the water carriers are given the privilege of making rates less than other carriers without being susceptible to a charge of discrimination in their doing so.

It is true that the general principle of interpretation with which all attorneys are familiar is that general declarations do not overcome specific provisions of the bill, but if you have read this bill carefully you will have found that in a number of cases we have specifically tied in the declaration of policy with the specific provisions of the bill. In this rate section, we have specifically provided for the very thing the water people want, the protection of the inherent right of the water carriers to the lower cost at which they can transport property.

I believe this amendment should be defeated because it is unnecessary. As suggested by the gentleman from Texas [Mr. RAYBURN], its presence in this act may lead to consequences not anticipated. It can serve no useful purpose because the bill already takes care of what is the object of the amendment.

Mr. KITCHENS. Mr. Chairman, I rise in opposition to the amendment. I do not want to commit myself to the inconsistencies or be a party to freezing certain things that are in this declaration of policy. This declaration of policy is a contradiction in terms and carries a loophole for its own avoidance. It goes on here and says that it is—

> the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each—

If it had stopped there, it would be all right, but then it proceeds a little further and later emasculates that, digs holes in it that you could drive a boxcar through—let me proceed to read—

> to promote safe, economical, and efficient service and to foster sound economic conditions in transportation and among the several carriers, to encourage the establishment and maintenance of reasonable charges for transportation services.

So far so good in this policy matter, and if they had stopped there, you would have had a good policy, but what is immediately added after the last words, "charges for transportation services"? I read, "charges for transportation services without unjust discriminations."

Unjust discriminations. Mr. Chairman, there can be no such thing as unjust discriminations. A discrimination itself is unjust. Are you going to have the Interstate Commerce Commission decide between a discrimination which is wrong within itself and an unjust discrimination? Webster's international dictionary says that the word "discrimination" itself, without the word "unjust" means anything that is unfair or brings about any injurious distinction," and in law as applied to common carriers, it is "the imposition of unequal tariffs for substantially the same service." That is what discrimination is, and further, "it is a difference in treatment made between persons or localities or classes of traffic in substantially the same service." That is what discrimination is according to Webster and the law books, and yet the bill uses the word "unjust" before the word "discrimination." What does Webster further say? He says a discrimination, without the word unjust, is "a difference in rates not based upon any corresponding difference in cost."

That is the legal definition of simple discrimination; yet in this bill and policy declaration we have the word "unjust" before the word "discrimination."

A little further on in the declaration of policy are used the words "undue preference." There cannot be any such thing as "undue preference" and at the same time a rightful preference. What is "preference"? In law the one word "preference" itself is a special advantage given to a particular person, a particular locality, or a particular form of shipment, whether by the granting of a lower tariff or extraordinary facilities for shipment, more commonly called "discrimination" in the United States.

Now, in this declaration of policy the United States Congress is referring to rate charges and using the terms "unjust discrimination" and "undue preference," and expects the Interstate Commerce Commission to distinguish between what is "discrimination" and what is "unjust discrimination," expecting the Interstate Commerce Commission to decide between what is "preference" and what is "undue preference." I submit that the word "unjust" before "discrimination" should be removed from this declaration of policy and the word "undue" should be removed. Therefore I am going to submit such an amendment.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. BULWINKLE. Mr. Chairman, I rise in opposition to the amendment. I wish to call the attention of the Committee to the amendment offered by the gentleman from Mississippi. If you vote for that amendment you will, of necessity, have to assume that the Interstate Commerce Commission in the first place will not construe this policy. You will have to further assume that the Interstate Commerce Commission will not enforce it. You will have to assume that if a case goes to the courts, the courts will neither construe nor enforce the provisions of this policy.

As to what the gentleman from Arkansas [Mr. KITCHENS] said about this declaration of policy, I regret very much that he has not read the declaration of policy which the Congress of the United States enacted in the Motor Carrier Act in 1935. It is practically similar, except, of course, the provision as to water and railroads is inserted in this bill. The gentleman said he did not want "undue preference"; he wanted the word "undue" stricken out. If you would think of the far-reaching effect that might have, I do not believe you would want it removed. For instance, on commodity rates from their own State there is a preference given as to certain rates, but it is not an undue preference. Preferences are given in a variety of the class and commodity rates, and probably there is some discrimination, but there is no unjust discrimination intended, and you must consider that.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. KITCHENS. I want the gentleman to understand that if Arkansas has any preference over anybody else in the United States on any kind of a rate, we want to get rid of it. We want the same rate that every other State in the Union has, every other locality in the United States has.

Mr. BULWINKLE. I think if the gentleman would investigate the matter he would find that probably that is not quite a correct statement.

[Here the gavel fell.]

Mr. POAGE. Mr. Chairman, I rise in support of the amendment.

I ask unanimous consent to proceed for 5 additional minutes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman and members of the Committee, I regret to find myself compelled to use this method of bringing to your attention one of the provisions of this bill that has not been mentioned in this declaration of policy, and that would not come to your attention whether we get the amendment on this declaration which makes the declaration really effective or not. Certainly if we are to have a declaration of policy, let us make the declaration effective. If it does not mean anything, let us strike it out. If it does mean anything, let us go down the line and tell the courts that we mean just what we said by that declaration of policy.

But I want particularly to call your attention to a provision further on in this bill that is covered up very much like this declaration of policy covers up a great many other things. On both Friday and Saturday I tried to secure time to address the members of this committee.

Mr. BULWINKLE. Will the gentleman yield?

Mr. POAGE. No; I cannot yield. I only have 10 minutes. I could not get any time from the committee on Friday or Saturday.

Mr. BULWINKLE. I would just like to ask the gentleman one question.

Mr. POAGE. I yield for a question.

Mr. BULWINKLE. The committee is entitled to know what is covered up by this declaration.

Mr. POAGE. I will tell the gentleman.

Mr. BULWINKLE. All right.

Mr. POAGE. I will tell the gentleman, because I explained on Friday and Saturday that I wanted to discuss those provisions of this bill relating to the waiving of the advantage that the United States Government now has, and which it paid for, with the land grants previously made.

On both days the committee felt that it could not allow me any time, but on each day additional time was yielded to speakers who had been granted recognition for limited periods to discuss other parts of the bill. None of these speakers, however, ever saw fit to discuss the provisions of part 11 of title 3 of this bill. I want to believe and do believe that this lack of attention to this part grows out of a lack of information on the part of the committee in regard to these sections of this bill. I have a high regard for the membership of this committee. I know that this committee would not knowingly be a party to a transaction which would take from the United States Government hundreds of millions of dollars and drop them into the hands of a small group of bondholders with no return to the Government. Yet that is exactly what part 11 of title 3 of this bill does.

Nearly 150 years ago a Georgia Legislature conveyed to private interests several hundreds of thousands of acres of State land. The matter involved only the property of the State of Georgia, but aroused public sentiment swept the entire country and brought about a national protest to such action.

During the period of the Civil War in this Nation, and to some extent just before and just after that great conflict, there was a great era of national expansion—westward expansion—an irresistible demand for improved means of communication. Many of our greatest statesmen of the period felt, and possibly correctly, that our military security, and in fact our very national existence, depended on the construction of new railroads connecting the various parts of our far-flung Nation. It is little wonder then that they should have offered generous inducements to those who would construct and operate such rail lines. Large bounties of public land were offered. But they were not offered as simple gifts as so many of our people have so often incorrectly supposed. In almost all cases the lands were offered on condition that the recipients would not only construct certain railroads but on the further condition that when constructed the road would forever transport Government property and troops without any cost. The clause which appeared in nearly all of the original acts is as follows:

> The said railroad and branches shall be, and remain, a public highway for the use of the Government of the United States free from toll or other charge, for the transportation of any property or troops of the United States.

Construing these grants, the Supreme Court of the United States held that the Government did not make a gift to the road, but on the contrary, that the Government paid in advance for services to be rendered by the road. In *L. & N. Railroad Company* v. *The United States* (267 U. S. 395) the Court said:

> But the land grant made many years ago in aid of the railroad enterprise was not a mere gift or gratuity. The carrier's obligation to haul property of the United States at reduced rates was a part of the consideration for which the land grant was made. Part of the appellant's compensation for hauling the coal was in land, and the balance was in money.

This was the trade made by and in behalf of the United States during the "tragic era" of American history. Not an entirely one-sided trade, it must be admitted, and yet the fact that one-tenth of the entire area of the Nation was thus conveyed to the railroads invoked a storm of protest which all but overthrew the Republican Party. A storm of protest that has left its scars and its suspicions until this very day. Yes; we can all remember how we have blushed to hear a recital of that chapter in our Nation's history. We all know how near the railroad land scandals came to ruining the fame of that great Federal leader, Gen. Ulysses S. Grant. I have never felt that he was guilty of any wrongdoing, but how much better it would have been had we been able to avoid these railroad land transactions. With all this, the worst that could be charged as to the policy of that day was that the Government had perchance allowed the railroads to out-trade it. There was no gift of public property without compensation as there is in title 3 of this bill. There was only an offer to buy transportation at what for many years following proved to be a tremendous price. Particularly was it a high price in view of the fact that in 1879 the courts agreed that while under the acts the Government had secured for itself the free use of the railroads and appurtenances constructed on the granted land, the railroad companies were entitled to 50 percent of the commercial rates and fares as compensation for the use of their equipment, employees' time, fuel, and so forth, employed in transporting property and troops of the United States.

Are we, the Members of the Seventy-sixth Congress, to repeat and outdo the generosity of our predecessors with other people's property for the benefit of the railroads? I hope not, and yet, title 3 of this bill absolutely gives away, without any compensation whatsoever, all the benefits that were retained to the Government as compensation for 132,000,000 acres of the cream of the public domain. Why should we make this princely gift to the bondholders of some 30 railroads? Why should the American taxpayer pay for transportation with the very soil of his homeland, and then be compelled by a callous Congress to pay for it again? Why should this bill conceal this gratuity in such language that the average citizen could read it through and very probably fail to catch the implications of this unprecedented raid on the Public Treasury? Why have the committee members who have explained this bill failed to discuss this vital section? Why should we point with scorn to the Georgia land frauds of the beginning of the last century and then embark on this program which overshadows them as the Empire State Building overshadows the pioneer's hut? Why should we condemn the fast and loose financing of the late sixties and early seventies and then even consider this proposal?

My colleagues, arouse yourselves, look into this grotesque proposal. If we pass part 2 title 3, of this bill we should add thereto a provision extending to Albert B. Fall a legislative pardon. We should include therein authority for the placing of the statues of Edward H. Doheny and Harry Sinclair in the Hall of Fame, and we should remove the tarnish from the Teapot Dome—for if we pass this, that page in our Nation's history will by comparison stand out pure and bright.

At the proper time I shall offer an amendment to strike out part 2, title 3 from the bill.

Mr. HALLECK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the debate on this amendment has gone rather far afield and before we vote on it I would like, if I can, to get all of us back on the right track.

In the first place, we have in this bill a declaration of policy. No matter what words you may add to this declaration of policy in the way of a further mandate to the Commission or the courts, it cannot supersede the specific proposals contained in the body of the bill. Strangely enough, the gentleman from Mississippi says that it is a good declaration of policy and he would like to see it applied in the specific provisions. The gentleman from Arkansas says that the declaration of policy is no good, and so I suspect that he would not care to have it weighed in any manner in addition to the specific provisions of the bill; but here is the only issue: In the construction of the specific statutory proposals written in the body of this bill the Commission and the courts will on occasion be required to find what was the legislative intent and consider that legislative intent in the construction of that particular provision of the statute. It is not fair to suggest, in my opinion, that the Commission and the courts will not look to this declaration of policy whenever they are called upon to make such construction of the statute and application of it.

Necessarily, they will look to the declaration in the act itself for determination as to legislative intent. I do not know whether it makes a lot of difference whether the words of this amendment are written into the bill or not. But I have not been able to find a substantially similar precedent in any other act of this sort.

Whenever you write words into a bill of this nature for which the courts and the Commission cannot find a substantial reason, they begin to hunt for a reason. They begin to investigate to determine just what the Congress had in mind by adding those words. So, whenever you put into any act words that do not really belong there, there may be a mischievous result.

Mr. Chairman, I say that these words do not belong in this declaration of policy. Insofar as they may be effective in determining the administrative application of this act, they are as effective as they possibly can be made.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is the gentleman opposed to the enforcement of the declaration of policy of this act?

Mr. HALLECK. I favor the enforcement of the declaration of policies in this act as carried out and provided for in the body of the act, and they are provided for in the body of the act. Every line of this act has been written in furtherance of the policies declared in the act.

Mr. WHITTINGTON. Is the policy different from the body of the act?

Mr. HALLECK. I say it is not.

Mr. WHITTINGTON. Then there should not be any objection to the amendment.

Mr. HALLECK. The specific provisions of the bill carry out the declaration of policy. The courts and commissions will recognize that, and in determining the legislative intent of the Congress in enacting these specific provisions they will have regard for the declaration of policy. The words of this amendment, I submit, as a matter of intelligent legislative action, should be voted down and the declaration of policy kept as it is.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I move to strike out the last four words.

Mr. LEA. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. CULKIN. I yield to the gentleman from California.

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent that all debate on this section and all amendments thereto close in 15 minutes. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Chairman, when Congress speaks to a bureaucracy it should speak in plain, unvarnished terms. This bill fails to do that. Those who have analyzed it in that particular technical field say that the bill is full of weasel words. The declaration of policy, if you please, is fair to look upon, but then repeatedly in the text of the bill it turns this whole problem over to a bureaucracy. The Congress abdicates. This bill reiterates times without number that the Commission "may" and then there is another series of weasel words. So that the Congress instead of writing into law a policy that should control this question makes a complete abdication.

The amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON] will not cure the many diseases from which this bill suffers; however, it is a start in the right direction. If you wish to reserve or if you wish to put into effect fair words of the preamble, I urge that you support the amendment which the gentleman from Mississippi has offered. It at least will be sensible and an advance in the right direction, where the Congress speaks and does not turn the people of the country over again to a battered, outworn, outmoded bureaucracy.

I urge the Committee to adopt the amendment offered by the gentleman from Mississippi [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, as I came in awhile ago the gentleman from Texas [Mr. POAGE] was speaking on the subject of land grants to the railways. When the Senate Committee on Interstate and Foreign Commerce was considering the bill for turning the railroads back to their owners after the World War, this matter was thoroughly discussed and, by the way, that is the same committee that sent out this bill. I refer to the Senate Committee on Interstate and Foreign Commerce. They drew a map of the amount of land equivalent to these railway grants, and this appears in the committee hearings. It was equal to the combined areas of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, and the District of Columbia.

During the World War the railroads that had these land grants were paid in full the same as any other railroad for the transportation of Government troops, supplies, and everything of that kind. They were all under the Railroad Administration, first presided over by Senator McAdoo and afterward by Walker D. Hines. In the 26 months of Government operation, the amount of money allocated to the railroads for maintenance and upkeep was approximately $2,000,000,000 more for the 26 months than the railroads themselves had spent for a like period previous to the war.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Chairman, as Webster said, after we have been tossed about for many days by the storm—

> It is well to take our bearings to determine by the compass just what is the location.

The question now before the Committee is involved in the proposal of the gentleman from Mississippi [Mr. WHITTINGTON], which is as follows:

> So that the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy.

If that, considered in connection with the language in the policy section now in the bill, is not redundancy carried to an extreme I would like to know what it is. The bill now says plainly:

> It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each.

The pending amendment is mere repetition which would make the policy section perfectly ridiculous. We have drafted this language in the policy section as clearly and unequivocally as it is possible to draft it. The drafting service and the committee weighed this language so as to make it perfectly

sure that it would constitute an accurate statement of the purpose of the bill. To add a number of words saying, in effect, that we shall not forget what is said in the beginning of the paragraph as to the purpose of the bill would be worse than useless.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Does the gentleman favor enforcing the declaration?

Mr. CROSSER. Certainly.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Texas.

Mr. RAYBURN. Would the gentleman think it necessary to add somewhere in each bill we pass, whether it contains a declaration of policy or not, a paragraph or section saying, "This law as written shall be the law"?

Mr. CROSSER. That is exactly the significance of this amendment; that is exactly what this means: "We hereby repeat that we want this law enforced." That is all it means and nothing more.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Michigan.

Mr. HOOK. Will the gentleman point out to me anything in this declaration of policy which is a protection to the consuming public?

Mr. CROSSER. This declaration states:

To encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices.

That is all for the advantage of the consuming public.

Mr. HOOK. That language is put in there for the advantage of the consuming public?

Mr. CROSSER. Exactly; that is its purpose.

[Here the gavel fell.]

The CHAIRMAN. Without objection, the amendment of the gentleman from Mississippi will be again reported.

There was no objection.

The Clerk read, as follows:

Page 199, line 8, after the period and before the quotation marks, insert the following: "All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 79, noes 71.

Mr. LEA. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. LEA and Mr. WHITTINGTON.

The Committee again divided; and the tellers reported that there were—ayes 100, noes 82.

So the amendment was agreed to.

Mr. WARREN. Mr. Chairman, I move to strike out the last word merely for the purpose of asking the Chairman of the Committee a question in order to expedite the consideration of this measure. I believe we may be able to save at least 3 or 4 hours in the consideration of it.

The word "water" is noted in the declaration of policy which has just been read. If we attempt to offer amendments in title I wherever the word "water" appears, we will be here an interminable time, certainly many, many hours. I make the suggestion to the gentleman from California and to the Committee that we will not offer any amendments along that line but, of course, finally the gentleman from Texas [Mr. SOUTH], a member of the committee, will offer an amendment to strike all of title II, part III. If the gentleman's amendment should prevail, and I hope it will, I think that the gentleman from California at this time ought to ask unanimous consent, if we can make this agreement, to return then and reform title I in accordance with that amendment, if it should prevail. I make this suggestion merely in the interest of orderly procedure and to save many hours of time.

Mr. LEA. I may state to the Members of the Committee that the gentleman from North Carolina mentioned this matter to me some time ago. It seemed to be worthy of serious consideration. As chairman, however, I was not in a position to consent to it until after consultation with the members of the committee. Just at the present time I am still unable to state what we can do about the matter. I do hope, however, that we can make some arrangement to facilitate the consideration of the bill and avoid unnecessary repetition of effort.

Mr. WARREN. Mr. Chairman, in view of that statement, it will not be our purpose to offer amendments along that particular line to title I. There are several amendments that will be offered to title I. If our motion should later prevail, then, of, course, the gentleman from California will have to ask unanimous consent to return to title I and reform the bill accordingly. I am sure there will be no objection to that.

Mr. LEA. I believe we will have no difficulty in making an arrangement to facilitate the action of the House.

[Here the gavel fell.]

Mr. KITCHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KITCHENS: Page 198, lines 20 and 21, after the word "without" in line 20, strike out the word "unjust" and, after the word "discriminations", strike out the word "undue."

Mr. KITCHENS. Mr. Chairman, I offer an amendment to strike "unjust" and "undue" from the declaration of policy. I called your attention to this matter a few minutes ago. The declaration of policy, it seems to me, would be all right if these two words were stricken from it—the word "unjust" before the word "discrimination" in line 20, page 198, and the word "undue" before "preference" in line 21, page 198.

As you will notice, the declaration of policy states that it is declared to be the transportation policy of the Congress to provide for fair and impartial regulations of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each.

If that were all of the declaration of policy, I think it would be sufficient, because it would protect the inherent advantages of all, but it goes on and states further:

To promote safe, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers.

To encourage the establishment and maintenance of reasonable charges for transportation services.

With that part of the declaration of policy there can be found no fault.

If the declaration of policy had ended there, with the word "services", it would be sufficient, but it continues and states:

To encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discrimination.

I am not prepared as a Member of Congress to vote a policy justifying discriminatory freight charges against anybody in the United States. An unjust discrimination. A discrimination is an evil, an injustice, and bad enough within itself, but the Interstate Commerce Commission is authorized to fix a discriminatory rate or determine a rate existing between discrimination and unjust discrimination. There cannot be a just discrimination. A discrimination being bad within itself, certainly there is no room in any legislation for a discrimination against anybody.

I submit the two words "unjust" and "undue" should be eliminated by adoption of my amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

Mr. PATRICK. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. All debate has ended on this section.

Mr. LEA. I understand no one has spoken in opposition to the gentleman's amendment, and my request was that debate be closed on the pending amendment and not the section.

The CHAIRMAN. As the Chair put the request, it was to close debate on the section.

Without objection, the gentleman from Alabama will be recognized for 5 minutes.

Mr. EBERHARTER. Mr. Chairman, will the gentleman from Alabama yield for a parliamentary inquiry?

Mr. PATRICK. Yes.

Mr. EBERHARTER. I understand from the chairman of the committee in charge of the bill [Mr. LEA], and those opposing the bill, the unanimous-consent request only referred to the amendment which was then pending.

The CHAIRMAN. The Chair put it with respect to the section, but, without objection, the request will be modified to make it applicable only to the amendment then pending. Is there objection?

There was no objection.

Mr. PATRICK. Mr. Chairman, in the Motor Carriers' Act of 1935, this exact language was used, "unjust discrimination and undue preference." Surely anybody that studies the moving finger in this kind of legislation must concede that if you lay down a proposition whereby no discrimination or preference that might be decided to be such by a court of law should be permitted, you are going into a field where complications must arise from technical discriminations which could not be yielded to at all. For that reason unjust discriminations and unfair discriminations are the only kind of discriminations that can be considered. Unjust discrimination and undue preferences are to be considered, so why attempt to go further? Often some kind of preference is necessary, or sometimes a condition presents itself that must be acceded to. This very often happens in transportation, as well as in other matters of that nature. You are going to find, upon an analysis of the matter, that many times this has to be recognized. If you stand to consider such a thing as a just discrimination or a just preference, there would be nobody in the world to come forward with a bill to correct something that is already correct. It seems to me that mere logic defeats the idea of striking out this sort of expression in term.

It has not been done in the other carrier acts, and it seems that it would render futile what we are trying to accomplish in this legislation.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Yes.

Mr. MURDOCK of Arizona. Is it not true that for more than a half century the Interstate Commerce Commission has fixed our freight and passenger rates, and have they not in so fixing those rates acted properly, yet what they did might be called a discrimination?

Mr. PATRICK. Yes.

Mr. MURDOCK of Arizona. In other words, the I. C. C. for years, in fixing rates, has discriminated but such was legal, reasonable, and not unjust. All that this provides is that there shall be no unjust discrimination, and under this we will continue as in the past?

Mr. PATRICK. Certainly.

Mr. LEA. Mr. Chairman, I did not hear all the gentleman from Arizona stated, but I call attention to the fact that for several decades this is language that has been a part of the transportation law of the country.

Mr. PATRICK. I just mentioned that fact.

Mr. MURDOCK of Arizona. Mr. Chairman, I rise to elaborate just a little bit on what I said to the gentleman from Alabama [Mr. PATRICK] We have had now for more than a half century a great quasi-legislative, quasi-judicial corporation or body established and empowered by Congress to fix passenger rates by rail, namely, the Interstate Commerce Commission. It is true that they have shown preferences for certain commodities, and apparently for certain sections, but that is a part of the general scheme of rate making and no doubt was so intended. There was no preference shown as between one locality and another or as between one commodity and another in any unfair or unjust manner. We propose in this act to continue the same policy. I have a high regard for the wisdom, fairness, and justice of the Interstate Commerce Commission. The gentleman from Arkansas [Mr. KITCHENS] is a bit academic when he refers to Webster's Dictionary, or some such source, and attempts to show that it is not proper or logical to speak of "unjust discrimination." Surely he would not contend that all cases of "unequal" treatment are accordingly "unjust." It is impossible for Congress by law to lay down specific rates for innumerable cases in all this complicated matter. We must depend upon and authorize—not a bureaucracy, as one has a half century, having in mind the welfare of the whole country. That is what we want to continue in this declaration of policy. If the I. C. C. does not charge the same rate on two common commodities for equal distances, it may be true in a dictionary sense that such is discrimination, but it is not an unjust discrimination. In insurance, in various phases of business, there are rates which might be called discriminatory, but they are necessary and just.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. Yes.

Mr. HOUSTON. What I had in mind is what the gentleman just stated, and I refer to wheat in my country. If this word were taken out, it would leave us in a bad way.

Mr. MURDOCK of Arizona. I understand the farmers of the West have a certain preferential rate on their farm commodities. It would be too bad for the farming sections of this country if that word "unjust" should be taken out and any and all discrimination thus forbidden, because those farmers from the West and Middle West very likely would be made to pay on farm commodities the same amount per mile as on other freight and that would be an equality which would be unjust. What is fair and reasonable ought to be continued.

Mr. PATRICK. Is not the same thing true in respect to preference? Is it not often necessary to take care of an economic condition that a preference must be established?

Mr. MURDOCK of Arizona. I feel sure that is correct.

Mr. PATRICK. If you pass a law taking out all preferences, then you would not be permitted to exercise "due preference."

Mr. MURDOCK of Arizona. Take a carload of coal and a carload of silk and carry them 100 miles. Apparently they ought to be charged exactly the same. It would not be, in my judgment, an unfair preference if the rate is made different for one than for the other.

Mr. KITCHENS. But in the other part of this declaration of policy it says it shall be at reasonable cost.

Mr. MURDOCK of Arizona. I have no objection to the word "reasonable," if it applies to discriminations and preferences.

Mr. KITCHENS. All right, that would take care of your rates and every other item.

Mr. TERRY. If there is good reason underlying the difference in rates, then it is justified and it is not a discrimination at all.

Mr. MURDOCK of Arizona. I am not so sure about that, but I would say in that case it would not be an "unjust discrimination."

Mr. TERRY. Then it would not be a preference if there is a reason for making the difference.

Mr. MURDOCK of Arizona. What we must consider is not our own definition of those terms, but how a court or commission should construe them.

Mr. BULWINKLE. Here, for instance, is a passenger rate between the city of Washington and my home. It is a certain amount one way. The round-trip ticket is a certain amount less. If I go on a straight fare, I would have to pay the full rate, but if I take a round-trip ticket I get a preference, and it is not an undue preference.

Mr. MURDOCK of Arizona. That is reasonable.

Mr. BULWINKLE. That is all there is to it.

Mr. O'CONNOR. During the period when feed was getting very scarce, the Northwestern and the Milwaukee granted

special rates to the farmers, and enabled those people to ship in grain and feed for their livestock. If they were not able to discriminate, those things could not have been done by the railroads. Is that not correct?

Mr. MURDOCK of Arizona. I believe the gentleman is right in that. There are some kinds of discriminations and preferences which I favor.

I certainly am not in favor of building up a bureaucracy nor of increasing one now existing, but we must delegate some power to someone. It is said ours is a government of laws rather than of men. All of which is true and proper in a sense, but in another sense we have a government by men under law. I favor a government by men operating under law, if they are the right kind of men under the right kind of laws. The I. C. C. has done well over a long period, and I would not hesitate to delegate power and discretion to it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. KITCHENS].

The amendment was rejected.

The Clerk read as follows:

REGULATION OF FORWARDING CARRIERS

SEC. 2. Paragraph (3) of section 1 of the Interstate Commerce Act, as amended, is amended by inserting, after "sleeping-car companies;", the following: "forwarding carriers;", and by inserting at the end of such paragraph a new sentence, as follows: "As used in this paragraph, the term 'forwarding carrier' means any person which, in the performance or discharge of an undertaking to transport property in interstate or foreign commerce to which this act applies, for compensation, utilizes or employs the instrumentalities or services of any transportation agency; but no person shall be subject to regulation as a forwarding carrier under this part with respect to operations of such person which are otherwise subject to regulation under this act."

THROUGH ROUTES

SEC. 3. Paragraph (4) of section 1 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(4) It shall be the duty of every common carrier subject to this part to provide and furnish transportation upon reasonable request therefor, and to establish through routes with other such carriers, and just and reasonable rates, fares, and charges applicable thereto; and it shall be the duty of common carriers by railroad subject to this part to establish through routes with common carriers by water subject to part III, and just and reasonable rates, fares, and charges applicable thereto. It shall be the duty of every such common carrier establishing through routes to provide reasonable facilities for operating such routes and to make reasonable rules and regulations with respect to their operation, and providing for reasonable compensation to those entitled thereto; and in case of joint rates, fares, or charges, to establish just, reasonable, and equitable divisions thereof, which shall not unduly prefer or prejudice any of such participating carriers."

TRANSPORTATION FREE OR AT REDUCED RATES

SEC. 4. (a) Paragraph (7) of section 1 of the Interstate Commerce Act, as amended, is amended by inserting, after "attorneys at law;", the following: "to the executive officers, general chairmen, and counsel of employees' organizations when such organizations are authorized and designated to represent employees in accordance with the provisions of the Railway Labor Act;".

(b) The first sentence of paragraph (1) of section 22 of the Interstate Commerce Act, as amended, is amended—

(1) by inserting, after "the necessary agents employed in such transportation,", the following: "or the transportation of persons for the United States Government free or at reduced rates,"; and

(2) by inserting, after "free carriage to their own officers and employees,", the following: "or to prevent the free carriage, storage, or handling by a carrier of the household goods and other personal effects of its own officers, agents, or employees when such goods and effects must necessarily be moved from one place to another as a result of a change in the place of employment of such officers, agents, or employees while in the service of the carrier,".

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 200, strike out lines 19 to 21, inclusive, and insert in lieu thereof the following:

"SEC. 4. (a) Paragraph (7) of section 1 of the Interstate Commerce Act, as amended, is amended by striking out 'and their families, its officers, agents, surgeons, physcians, and attorneys-at-law' and inserting in lieu thereof a comma and the following: 'its officers, agents, surgeons, physicians, and attorneys-at-law, and the families of any of the foregoing to the executive.'"

The CHAIRMAN. Without objection, the committee amendment will be agreed to.

There was no objection, and the amendment was agreed to.

The Clerk read as follows:

CAR SERVICE

SEC. 5. Paragraph (14) of section 1 of the Interstate Commerce Act, as amended, is amended by inserting after the words "not owned by the carrier using it" the following: "(and whether or not owned by another carrier)."

UNDUE PREFERENCE OR ADVANTAGE; INVESTIGATION BY COMMISSION; LIABILITY OF BENEFICIAL OWNER AND SHIPPER; FACILITIES FOR INTERCHANGE OF TRAFFIC

SEC. 6. (a) Paragraph (1) of section 3 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(1) It shall be unlawful for any common carrier subject to the provisions of this part to make, give, or cause any undue or unreasonable preference or advantage to any particular person, company, firm, corporation, association, locality, port, port district, gateway, transit point, region, district, territory, or any particular description of traffic, in any respect whatsoever or to subject any particular person, company, firm, corporation, association, locality, port, port district, gateway, transit point, region, district, territory, or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatever."

(b) The Interstate Commerce Commission is authorized and directed to institute an investigation into the rates on manufactured products between points in one classification territory and points in another such territory, and into like rates within any of such territories, maintained by common carriers by rail or water subject to part I of the Interstate Commerce Act, as amended, for the purpose of determining whether said rates are unjust and unreasonable or unlawful in any other respect in and of themselves or in their relation to each other, and to enter such orders as may be appropriate for the removal of any unlawfulness which may be found to exist: *Provided*, That the Commission in its discretion may confine its investigation to such manufactured products and the rates thereon as shippers thereof may specifically request be included in such investigation.

(c) Section 3 of the Interstate Commerce Act, as amended, is amended by adding after paragraph (2) thereof the following new paragraph:

"(3) If a shipper or consignor of a shipment of property (other than a prepaid shipment) is also the consignee named in the bill of lading and, prior to the time of delivery, notifies, in writing, a delivering carrier by railroad or a delivering express company subject to the provisions of this part, (a) to deliver such property at destination to another party, (b) that such party is the beneficial owner of such property, and (c) that delivery is to be made to such party only upon payment of all transportation charges in respect of the transportation of such property, and delivery is made by the carrier to such party without such payment, such shipper or consignor shall not be liable (as shipper, consignor, consignee, or otherwise) for such transportation charges but the party to whom delivery is so made (if such party is the beneficial owner) shall be liable therefor and also for any additional charges which may be found to be due after delivery of the property. If the shipper or consignor has given to the delivering carrier erroneous information as to who the beneficial owner is, such shipper or consignor shall himself be liable for such transportation charges, notwithstanding the foregoing provisions of this paragraph and irrespective of any provisions to the contrary in the bill of lading or in the contract of transportation under which the shipment was made. An action for the enforcement of such liability either against the party to whom delivery is made or the shipper or consignor may be begun within the period provided in paragraph (3) of section 16, or before the expiration of 6 months after final judgment against the carrier in an action against either of such parties begun within the limitation period provided in paragraph (3) of section 16. The term delivering carrier means the line-haul carrier making ultimate delivery."

(d) Paragraph (3) of section 3 of the Interstate Commerce Act, as amended, is amended by striking out "(3)" and substituting in lieu thereof "(4)", and is further amended to read as follows:

"(4) All carriers subject to the provisions of this part shall, according to their respective powers, afford all reasonable, proper, and equal facilities for the interchange of traffic between their respective lines and connecting lines, and for the receiving, forwarding, and delivering of passengers or property to and from connecting lines; and shall not discriminate in their rates, fares, and charges between connecting lines, or unduly prejudice any connecting line in the distribution of traffic that is not specifically routed by the shipper. As used in this paragraph the term 'connecting line' means the connecting line of any carrier subject to the provisions of this part or any common carrier by water subject to part III."

(e) Paragraph (4) of section 3 of the Interstate Commerce Act, as amended, is amended by striking out "(4)" and substituting in lieu thereof "(5)."

Mr. JONES of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Texas: On page 202, line 12, after the word "ever", strike out the quotation marks; and, after line 12, add the following:

"(1a) It is hereby declared to be the policy of Congress that shippers of wheat, cotton, and other farm commodities for export should have substantially the same advantage of reduced

rates as compared to shippers of such commodities not for export that are in effect in the case of shipment of industrial products for export as compared with shipments of industrial products not for export, and the Interstate Commerce Commission is hereby directed to institute such investigations, to conduct such hearings, and to issue orders making such revision of rates as may be necessary for the purpose of carrying out such policy."

Mr. BULWINKLE. Mr. Chairman, I make a point of order against the amendment. The amendment offered by the gentleman from Texas [Mr. JONES] is not germane to the section or the paragraph on page 202, (1) and (b). Paragraph (b) is a subsection of (1). (1) provides that it shall be unlawful for any common carrier subject to the provisions of this part to make, give, or cause any undue or unreasonable preference or advantage to any particular person, company, firm, corporation, association, locality, port, port district, gateway, transit point, region, district, territory, or any particular description of traffic, and the other is to provide for an investigation by the Interstate Commerce Commission as to the reasonableness or discrimination in rates, and provided that the Commission may, in its discretion, confine its investigation to such manufactured products as it would receive complaints on. I cannot see how at this particular place the amendment offered by the gentleman from Texas is germane.

Mr. JONES of Texas. Mr. Chairman, I desire to be heard if the Chair has any doubt.

Contrary to what the gentleman from North Carolina [Mr. BULWINKLE] has said, section 1 is an amendment to a section already in the Interstate Commerce Act, and the Chair will note is in quotation marks; (b) is an addition to the present Interstate Commerce Act. The next section is entirely new. So it is not a continuing thing.

(1) deals with all kinds of discrimination in freignt rates; discriminations as to persons, companies, corporations, associations, port districts, gateways, districts, territories, regions, or any other particular description of traffic.

The CHAIRMAN (Mr. THOMASON). The Chair is ready to rule. The Chair thinks the amendment is germane and overrules the point of order.

Mr. JONES of Texas. Mr. Chairman, inasmuch as this is the only amendment I expect to offer, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES of Texas. Mr. Chairman, I think this is an amendment of great importance. Many of the older Members of the House in point of service will remember that some 7 or 8 years ago we had under consideration this question of discriminations, and it was discussed to a considerable extent.

Whenever any industrial product is shipped from a point in the interior to a port location, destined for shipment abroad, the rate is reduced from 25 to 33⅓ percent. Whenever a farm product is shipped, as a rule there is no reduction. The purpose of my amendment is to direct, as a policy, that the same average reduction be given to farm commodities going into export, that now prevails with reference to industrial commodities going into export.

I assume that the reason for the reduction in industrial commodity rates is to enable factories to run, as nearly as possible, full time, and thus perhaps give a better price for the products in this country, and to encourage world trade. But if that rule is fair with reference to industrial commodities, why should it not apply to agricultural commodities? Is there any particular charm hovering around industrial commodities that does not apply also to the raw and basic product?

To show you that there is a real distinction, I want to read to you from a comment by one of the Commissioners in Grain Rates case, 1930. Mr. Commissioner Lewis makes this statement:

> Our carriers have extended—and we have not interfered—with manufacturers of iron and steel articles, automobiles, and farm machinery rates 25 percent lower on exports than on domestic shipment.

I am quoting from a member of the Interstate Commerce Commission to the effect that the carriers have extended rates 25 percent lower on exports of iron and steel articles and farm machinery than on domestic shipments. He states:

> If the same principle were applied to wheat and its products it would have a vast beneficial result. I have favored and still favor export rates on wheat and its products 10 or 15 percent lower than domestic rates, but it requires that part of the tariff on such rates be made subject to minimum weight 10 percent higher in the case of grain and 50 percent higher in the case of flour than apply on domestic movements.

Quoting further from Mr. Lewis:

> Taking all the above transportation facts into consideration and entirely leaving out economic considerations, it seems to me that export rates 15 percent lower than domestic rates are justified and conservative. They are less than the carriers have extended to certain manufacturers.
>
> The advantage of export rates is acknowledged by carriers and manufacturing industries which have built up large outlets for our products in foreign lands.

Commissioner Lewis in concluding his concurrence in the opinion says:

> I am authorized to say that Commissioner Tate concurs in that part of the foregoing which expresses the opinion that there should be a lower export rate because of different transportation conditions.

Now I want to cite you some examples of reductions in rates on manufactured articles. When two farm implements are shipped from Indianapolis, Ind., to New Orleans, La., one of them to go abroad, loaded on the same platform, unloaded on the same dock, the one going into foreign trade takes a rate of 48½ cents per 100 pounds whereas the one to be used by a farmer in Louisiana takes 82 cents per 100 pounds. If it is shipped from Chicago to Galveston, Tex., it is $1.06 if it is to be used by the Texas farmer, but only 49½ cents if it is to go abroad.

If wheat is shipped from Amarillo, Tex., to Galveston, Tex., the export rate is 35 cents a hundred, the domestic rate is also 35 cents a hundred—no reduction.

On iron and steel shipped from Gary, Ind., to New York the domestic rate is 52 cents, the export rate is 36 cents. The rate on shipments of iron and steel from Pittsburgh, Pa., to New York for export is 23 cents, whereas the domestic rate is 36 cents.

I am not prepared to say that these privileges are wrong, but I do say that if they are extended to industrial products going into foreign fields the same privilege should be extended to agricultural products. [Applause.] If the manufacturer of an American plow, when he ships it abroad, gets a reduction in rates in order to enable him to handle his production better, why, in the name of common sense, should not the American farmer have the same privilege?

Under this amendment it is the declared policy of Congress to give the same privilege of reduced rates on agricultural commodities going into export that we extend to industrial commodities. The reason these discriminations exist in the case of manufactured products, I think, is because the producers of these products are organized, are able to come down here and claim their privileges, whereas the farmers, great individualists that they are, living in many instances thousands of miles from each other, do not have the chance to come down to Washington to present their case and claim their rights and privileges. It seems to me it is but just and fair that these discriminations be corrected insofar as it is possible to do so.

Just to show you how the big industrialists sometimes get advantage in freight rates, let me cite the instance of the importation of coconut oil. Here is an amazing discrimination. Coconut oil competes with lard and with cottonseed oil. When shipped from the Orient and landed at Galveston, Tex., for shipment from Galveston to Cincinnati, Ohio, where the great soap factories are located, the rate on coconut oil is 33½ cents per hundred pounds. The rate on cottonseed oil loaded on the same dock at Galveston, in the same type of car, and shipped to the same point of destination, Cincinnati, is 65 cents per 100 pounnds, twice as much—a competing product.

The Interstate Commerce Commission has been overloaded, and these great interests come and present their claims, present and outline the facts, but it seems to me that no man can justify such discrimination in the case of manufactured products as against agricultural products. It should be corrected one way or the other. I have many more illustrative examples that I could cite if I had time. On practically no farm product is there a preferential export rate. There are a few such instances where the shipment originates from a water point such as Kansas City, but in the great mass of cases from interior points the farm commodities are charged the full rate, although they go into the export trade. I may say in passing that the figures I have cited were furnished me by the secretary of the Interstate Commerce Commission, so there can be no question as to their accuracy. They may have some later figures, but these are substantially correct and are furnished over the signature of the Secretary of the Interstate Commerce Commission on December 17, 1938.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. I yield.

Mr. O'CONNOR. I am thoroughly in accord with the gentleman's amendment, but it does occur to me that it ought to be sufficiently broad to include all agricultural products and livestock intended for export.

Mr. JONES of Texas. It does; it includes all agricultural commodities, wheat, cotton, livestock, and other agricultural products.

I hope the gentleman from California will agree to this amendment, its declaration of policy, and provisions. I think it has caught the sentiment of this body favorably. [Applause.]

Mr. Chairman, I shall take no further time of the Committee.

Mr. BULWINKLE. Mr. Chairman, I rise in opposition to the amendment.

The amendment offered by the gentleman from Texas reflects the view that Congress should interfere with rate making. Many efforts have been made in the past to have Congress enter this field. So far, Congress has not seen proper to instruct the Interstate Commerce Commission as to just how it shall handle particular rate situations. Most of the well-informed shippers of the country would prefer that Congress keep out of this field.

Aside from this obvious fact, this particular amendment proceeds upon an entirely erroneous theory. The idea seems to be that if the carriers put in special export rates for the movement of industrial products, they must, at the same time, put in special export rates for the movement of farm products and the export farm rate must have the same relation to the domestic rate as the export industrial rate has to the domestic industrial rate. The two things, however, have no relationship. It cannot be logically said that if the export rate on iron articles is 80 percent of the domestic rate, then the export rate on farm products must be 80 percent of the domestic rate.

These low export rates, whether they be on industrial products or on farm products, are put in for one of two reasons. In the first place, many of the special export rates are adopted in order to equalize the ports. We have a case of a railroad operating from Chicago to New Orleans but not from Chicago to New York. If goods originating at Chicago are exported through New Orleans, the water distance from New Orleans to Liverpool being so much greater than the water distance from New York to Liverpool, necessarily the water portion of the rate will be higher if the product moves through New Orleans than if it moves through New York. Not only will the rate be higher, but the time is longer and the traffic will be subjected to other disadvantages.

A railroad which operates from Chicago to New Orleans has the right to insist on a lower export rate than the rate from Chicago to New York in order to equalize the disadvantage that comes from the longer ocean haul. This is a crude illustration, but it reflects one of the important reasons why export rates are often lower than domestic rates.

There is no real reason, based on inland transportation, why there should be a difference, but the commercial considerations are such that in order to equalize the ports to a certain degree and to give railroads serving the more distant ports a haul, these export rates must be put in. In fixing export rates for the purpose of equalizing the ports, no consideration is given to whether the commodities are industrial products or agricultural products. There are numerous export rates on agricultural products to some ports lower than to others. The whole matter is one of competition among the railroads and competition of markets.

The second important reason why export rates are put in is to encourage and stimulate the sale of surplus products abroad which cannot be absorbed by the domestic markets. The principle is a very familiar one. If often happens that the foreign purchaser of products will not buy in the United States when he can buy from South America or from some other foreign country at a lower cost, due to difference in labor. In those cases the American railroads must make some exceptions to their standard basis of rates in order to meet the world competition in foreign markets. This condition sometimes leads to the establishment of relatively low export rates.

It is perfectly obvious that the Interstate Commerce Commission must not be bound up by a rigid rule which would require arbitrarily the putting in of export rates on one commodity merely because those export rates have been put on another unrelated commodity. If no cotton, for instance, moved through the port of New York from the cotton-producing territory, there would be no occasion to have export rates to New York, although it might be of the first importance to have export rates on certain industrial products from that same territory to New York. These rates must be governed by practical considerations, by conditions of competition, with all of which the Interstate Commerce Commission is perfectly familiar.

To say that you must lower the export rates on agricultural products because the export rates on industrial products have been lowered is as illogical as to say that you must lower the prices of cotton piece goods because the price of mules has been decreased. Each of these situations presents its own specific problem and the rate structure of the country, the free movement of traffic, and the merchandising of America's products will be hopelessly confused, if not destroyed, by an artificial rule such as is proposed in the Jones amendment.

Mr. GREEN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN to the amendment offered by Mr. JONES of Texas: Add to the amendment, after the word "cotton," the words "citrus fruits and vegetables."

Mr. GREEN. Mr. Chairman, it was not plain to me that the amendment offered by the gentleman from Texas [Mr. JONES] would include horticultural and grove products. I would like to ask the author of the amendment if it will?

Mr. JONES of Texas. The language of the amendment says, "wheat, cotton, and other farm commodities." Rather than name the other commodities, I would prefer if the gentleman would insert before the word "other," the word "all."

Mr. GREEN. How about the words "farm and grove"?

Mr. JONES of Texas. All other farm commodities.

Mr. GREEN. Does the gentleman think that would cover it?

Mr. JONES of Texas. I will accept the amendment, if he will change it in that way.

Mr. GREEN. Mr. Chairman, I ask unanimous consent to change the amendment that I have offered to the language just stated by the gentleman from Texas [Mr. JONES].

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. GREEN]?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. GREEN to the amendment offered by Mr. JONES of Texas: Before the word "other" in the second line, insert the word "all."

Mr. O'CONNOR. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Montana.

Mr. O'CONNOR. May I ask the gentleman from Texas if he would permit to be included in the amendment the words "livestock products"?

Mr. GREEN. The gentleman may take up that a little later. I favor inclusion of livestock.

Mr. Chairman, I am heartily in favor of the Jones amendment, as amended. Congress has, particularly during the last 6 years—not so much before then—done all it could to help the farm and general agricultural interests of our Nation. This is a case in which we can help the farmers of the Nation by giving them the same export freight rates as are given to industry.

In according this to the farmers of our Nation you are lending them an indirect farm aid which is far better than any artificial aid which the Congress can give. I have in mind the fact that some 3 or 4 years ago the Florida citrus growers appeared before the Interstate Commerce Commission to try to obtain a lower rate on citrus fruits.

We asked for an even 15-cent per bushel reduction on our grapefruit. At that time we had a large surplus. The people of the country desired to eat grapefruit, but the shipping rate was so high on grapefruit that about one-third of that year's crop rotted under the trees because we failed to obtain a reduced rate to ship it to market. A large portion of this citrus was for the Canadian market, which is a foreign market, and which would come well under the provisions of the pending amendment.

I am confident that the apple shippers of our Nation have experienced the same handicap in shipping their produce to Canada and to other foreign countries, so I am particularly interested in the amendment insofar as it would apply to production from the orchards and from the groves. I would judge that every year about one-quarter to one-third of the peach crop in Georgia, particularly because Georgia has an early peach season, rots under the trees because they do not have an adequate marketing system to disseminate these products to all parts of the United States; and because the marketing is largely controlled by the transportation, the cost being so high. The farmers, fruit growers, vegetable growers, and livestock producers need relief worse than any producers in America.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I understand that the gentleman's amendment covers not only all farm products but livestock products as well.

Mr. GREEN. I will have to let Mr. JONES, the chairman of the Committee on Agriculture, answer that question.

Mr. JONES of Texas. I believe that the amendment will cover farm and livestock products.

Mr. GREEN. Mr. JONES, the chairman of the Agriculture Committee, who offered the amendment, advises me that it, as amended by my amendment, includes livestock and all farm and horticultural products; yes; citrus fruits and vegetables also.

Mr. JONES of Texas. I should like to call attention, in reply to what the gentleman from North Carolina said, to the fact that on manufactured articles coming from interior points there is a general export rate reduction. This amendment simply authorizes the Commission to apply substantially the same average rate. It is not a rate-making proposition; it is simply a declaration of policy with instructions to do this generally.

Mr. GREEN. Yes; parity for industry and agriculture. I urge that my amendment to the Jones amendment be adopted and then that you adopt the Jones amendment.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the law permits railroads to reduce freight rates on export products. The object is to facilitate the sale of our products to the foreign market. The amendment proposed would prevent such shipments unless the same rates were granted to our domestic shipments. This amendment, if adopted, would be a destructive amendment. It would greatly tend to curtail foreign markets for our goods in all cases where such shipments now receive reduced rates. The object of giving reduced rates to exported products is to encourage the foreign market as purchasers of our products. It is no injury to agriculture if a reduced rate is given to industrial products and increased sales result. The more products America can sell abroad, whether manufactured or agricultural, the better it is for both industry and for agriculture. The more of our agricultural products that reach the foreign market the better off America is and the farm and factory sections of the country are alike benefited.

In effect, this amendment denies the retention of that foreign market for industrial products unless the domestic rate on agricultural products is based on a parity with export industrial products. The logic of that would be to compel all agricultural products to be shipped on the reduced rate that is given to products destined for foreign markets or else deny giving any export rate to products destined for the foreign market. The ultimate result would be that we would simply keep the rates at a high level and deprive ourselves of the advantage of the foreign market that may be reached only by this lower rate. That would be no benefit whatever to agriculture.

This would be very damaging to agriculture. It would be damaging to the wheat producers, and it would be damaging to all agricultural producers who are depending on the foreign market and whose price is helped by the foreign market.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. Let me call the gentleman's attention to the difference between the domestic rates and the export rates on certain southern products. On cottonseed cake and meal from Dothan, Ala., to Jacksonville, Fla., the domestic rate is 19.8 and the export rate 18.

Mr. JONES of Texas. Does the gentleman object to that preference there?

Mr. BULWINKLE. No; I do not.

Mr. JONES of Texas. Why not extend it to all farm commodities?

Mr. BULWINKLE. I am showing the gentleman that it has been begun.

Mr. JONES of Texas. That is about a 3-percent reduction—from 19.8 to 18.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that I may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BULWINKLE. This statement which I had prepared by the Interstate Commerce Commission on certain southern products shows the difference in the domestic and the export rate, and the gentleman may use the statement if he so desires.

Mr. LEA. We will ask to insert this statement in the RECORD. I have not had an opportunity to examine or analyze it.

I should like to say further that one feature involved in this problem is the relative rates to different ports. When a subject like this was brought before the subcommittee, immediately the news of it spread abroad; there was great complaint and concern over the effect it would have on the different ports in dealing with the commerce of the United States. It must be remembered that this does not propose the same rates on products that are of the same kind, but products unrelated and of a different character are proposed to be put on the same basis.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. This amendment would not discriminate against ports. As I understand, all ports will be treated alike.

Mr. LEA. No; they are not treated alike.

Mr. LUTHER A. JOHNSON. We want them to be treated alike.

Mr. LEA. The present plan is to try to put them on an equality, but if you put them on an arbitrary basis, regardless of the circumstances involved, then you create discrimination between ports.

Mr. LUTHER A. JOHNSON. Circumstances, for some reason, have been discriminating against our Texas ports, I would say.

Let me ask the gentleman this question, How does the gentleman substantiate the claim that giving lower rates on the exportation of wheat or other agricultural products is going to hurt the farmer? I cannot follow his logic. I shall vote for the Jones amendment, and think it should be adopted.

Mr. LEA. Because you deny yourselves those rights under this amendment. To require all domestic products to move on an export-rate basis would make it impossible for such a rate to be granted agriculture. When you prevent the railroad from granting export reduction unless domestic shipments move at the same price, you simply make it impossible for the railroads to grant the reduced rate in either case. You would leave the farmer holding the bag.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. PACE. Why is it so much more important to take care of the ports than it is to take care of the farmers? [Applause.]

Mr. LEA. What we are trying to do here is to draft a bill that gives proper consideration to each section, and we are not trying to favor one class or group at the expense of another. If we have any means of straightening out our transportation system, it should be to give justice to all and give the entire country the benefit of reasonable and just rates with proper regard to the rights of each industry.

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. LEA) there were—ayes 69, noes 27.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Texas [Mr. JONES] as amended by the gentleman from Florida [Mr. GREEN].

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I understand that the vote just had was upon the amendment to the amendment offered by the gentleman from Florida?

The CHAIRMAN. The gentleman is correct.

Mr. HALLECK. And the pending vote is upon the original amendment offered by the gentleman from Texas as amended by the amendment offered by the gentleman from Florida?

The CHAIRMAN. The gentleman is correct.

The question was taken; and on a division (demanded by Mr. LEA) there were—ayes 72, noes 32.

So the amendment, as amended, was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

On page 202, line 15, and on page 203, line 1, after the word "products", insert "agricultural commodities and raw materials."

Mr. WHITTINGTON. Mr. Chairman, this bill, as was stated by the chairman of the committee in presenting the bill to the Committee of the Whole for its consideration, contained an important provision not heretofore incorporated in transportation legislation that would enable the Interstate Commerce Commission to make investigations of rates and to recommend an elimination of discrimination, or, to use his language, it embraced, as he stated, the so-called Ramspeck resolution.

Now, Mr. Chairman, with the attention of the Committee for just a moment, let me say that section (b), on page 202, authorizes and directs, and I read from this section:

The Interstate Commerce Commission is authorized and directed to institute an investigation into the rates on manufactured products between points in one classification territory and points in another such territory, and into like rates within any of such territories, * * * for the purpose of determining whether said rates are unjust and unreasonable or unlawful in any other respect in and of themselves or in their relation to each other.

This subsection (b) concludes—and I quote further from said section:

Provided, That the Commission in its discretion may confine its investigation to such manufactured products and the rates thereon as shippers thereof may specifically request be included in such investigations.

The purpose of my amendment is to authorize the Commission to make investigations not only with respect to manufactured products but agricultural commodities and raw materials, and only those investigations will be made that are requested by the shippers. In other words, the amendment that I propose inserts after the words "manufactured products" the words "agricultural commodities and raw materials."

If it be answered, Mr. Chairman, that at present agricultural commodities do receive lower rates, permit me to call your attention to the illustration given us a moment ago by the distinguished chairman of the Committee on Agriculture [Mr. JONES of Texas], where there is a rate on coconut oil from Galveston, Tex., to Cincinnati, Ohio, of about 33 cents per hundred, whereas the rate between the identical points on cottonseed oil is more than twice as much.

I respectfully submit that even though in some cases there may be in some areas lower rates on agricultural commodities, it can do no one an injustice to give the Interstate Commerce Commission the power and the authority to treat agriculture and industry alike, and that is all on earth agriculture asks. [Applause.] We want no advantages; and if it be fair to grant an investigation for manufactured products, I respectfully submit that there can be no justification in refusing that investigation to agricultural commodities and to raw materials.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from North Carolina.

Mr. WARREN. The proviso in subsection (b) vitiates everything that is attempted prior to that, as it now stands, does it not?

Mr. WHITTINGTON. I would say, with all deference, as I understand subsection (b)—and I want to be constructive, if I may—subsection (b) authorizes an investigation into the rates in areas and in territories for manufactured products, and the paragraph to which the gentleman refers would confine those investigations to requests by shippers. I am undertaking to amend that so they would be authorized to investigate both as to manufactured products and agricultural commodities and raw materials, and in each case be confined to the requests that were submitted by the shippers.

Mr. WARREN. I think subsection (b) is a mere jargon of words. The whole subsection is absolutely meaningless. It does not amount to a row of pins because the Interstate Commerce Commission, under the general law today, has authority to do every single thing that it is intended to give them by this language put in the bill.

Mr. WHITTINGTON. I agree with the gentleman. For 50 years they have had the power and authority, but we have now in the pending section given them substantial direction and authorization to undertake to remove a discrimination, and I believe the amendment is fair and should be adopted. [Applause.]

Mr. BULWINKLE. Mr. Chairman, I rise in opposition to the amendment. During the early part of this session of Congress every State in the South was represented at a meeting held to endeavor to obtain, as they stated, fair freight rates from the Interstate Commerce Commission.

The gentleman from Georgia [Mr. RAMSPECK] was authorized to introduce a resolution, which he did, and which resolution is the one under discussion by the gentleman from Mississippi [Mr. WHITTINGTON]. This protest against southern freight differentials was also heard before the Committee on Interstate and Foreign Commerce.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. TERRY. The gentleman is confining this to a southern protest. The committee to which the gentleman refers was not composed wholly of people from the South, but there were people from the Middle West, the Southeast, the Southwest, the Northwest, and the mountain country. It represented the whole country.

Mr. BULWINKLE. I know that what the gentleman says must be true else he would not say it; all that I heard was largely, I think, by some of our friends from the South. In any event we had hearings on this day after day for a full week. We gave hearings to southern Representatives, southern shippers, to anyone from the South who would come before the committee and tell what they wanted. They said all they wanted was a pointed stick to prod the Interstate Commerce Commission with, and so in drafting this bill we took this "sop" if you please, we took this thing that "amounts to nothing," as we are informed by the opponents of the bill which Mr. RAMSPECK introduced, and put it in the bill in its entirety. There was no question of southern agricultural rates. The great question that was before the committee was that in the Southern States they said the manufacturing plants could not get the same rates, as compared with the northern plants, and everyone knows, or should know, that the commodity rates on southern agricultural products are fair. It took me, I think, 2 or 3 days with this subcommittee of ours to induce them to put this in, and I ask members of this Committee to vote down this amendment, because it is unnecessary. It does not add one thing to the bill.

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. PIERCE of Oregon. Do I understand the gentleman to say that agricultural rates are fair?

Mr. BULWINKLE. In the commodity rates.

Mr. PIERCE of Oregon. The gentleman never paid them, I dare say.

Mr. BULWINKLE. The commodity rates that agriculture gets are very much lower than the many other rates and if the gentleman will examine them he will see that they are.

Mr. PIERCE of Oregon. I must say that if the gentleman were a farmer he would not make such a statement as that.

Mr. BULWINKLE. Very well, how about being a manufacturer? Compare the rates on manufactured goods with the rates on agricultural products.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes; I yield.

Mr. KEEFE. I did not hear the first part of the gentleman's statement; but I inquire as to whether or not there is any purpose or meaning in this entire paragraph. The Interstate Commerce Commission now, under existing law, has all of that power; and is it not their duty to do so under the law?

Mr. BULWINKLE. Upon complaint; yes.

Mr. KEEFE. To make an investigation?

Mr. BULWINKLE. Yes; upon complaint.

Mr. KEEFE. Then what does this paragraph mean?

Mr. BULWINKLE. It simply means that it is the Ramspeck resolution, put in at the request of the southern Members, and that is all that it does mean—to advise the Commission that Congress wanted an investigation.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. HINSHAW. The only point about this paragraph that is of interest are the words in line 14 "and directed." The Commission is already authorized to make an investigation, but this paragraph directs the Commission to make it.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SOUTH. Mr. Chairman, I rise in support of the amendment. As I said on the floor of the House 2 or 3 days ago, the Ramspeck resolution, so-called, is nothing more than a sop, so far as our rate problem is concerned. I have a very high regard for my colleague the gentleman from Georgia [Mr. RAMSPECK]. He has worked diligently on this rate proposition, and I presume this is the best he could get; but I say to him and to my colleague from North Carolina [Mr. BULWINKLE] that the Members who met with the gentleman from Georgia [Mr. RAMSPECK] from time to time to protest against unjust discriminations and rate differentials did not agree to the Ramspeck proposal, and most of us do not agree to it now.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. SOUTH. Yes.

Mr. TERRY. I consulted with the gentleman from Georgia [Mr. RAMSPECK] with reference to making this addition to the provisions in the bill, and the gentleman from Georgia [Mr. RAMSPECK] told me that he had no objection at all to the addition that we are now trying to put into the bill.

Mr. SOUTH. Did the gentleman ever tell anyone on this committee or anyone else that the provision in the bill was ample and satisfactory?

Mr. TERRY. No; but I speak only for myself.

Mr. WHITTINGTON. Is not subsection (b), if it be adopted, applicable to the entire country?

Mr. SOUTH. That is right.

Mr. WHITTINGTON. The word "southern" does not occur any more than the word "northern." Neither has any business in the law; it ought to be for the benefit of the entire country.

Mr. SOUTH. I agree with the gentleman from Mississippi.

I want to call the attention of those of you who live anywhere in the United States except in the official zone to the fact that your section is being discriminated against. Do not get the idea that this is a fight for the benefit of a particular section. Every section of the country, except a few square miles in the favored "official zone," is paying more than its share. Somebody here has said that manufactured products alone are paying excessive rates. Let us see about that. I call the attention of my colleague from North Carolina [Mr. BULWINKLE] to the following:

From Dallas, Tex., to Indianapolis, Ind., a distance of 861 miles, the freight on butter, eggs, and dressed poultry, minimum weight 20,000 pounds, amounts to $1.48 per 100 pounds.

From Indianapolis, Ind., to Bridgeport, Conn., 871 miles, or 10 miles farther, the carrying charges are 94 cents per 100 pounds, or 54 cents less.

From Dallas, Tex., to Chicago, Ill., a distance of 905 miles, the rate is $1.48.

From Chicago, Ill., to New York City, a distance of 909 miles, the rate is 99 cents.

From Fort Worth, Tex., to Cincinnati, Ohio, a distance of 962 miles, the rate is $1.48.

From Cincinnati, Ohio, to Portland, Maine, a distance of 964 miles, the rate is $1.

From Fort Worth, Tex., to Dayton, Ohio, a distance of 1,001 miles, the rate is $1.55.

From East St. Louis, Ill., to New York City, a distance of 1,025, the rate is $1.09.

Now, these are not manufactured products. They are farm products. I want to tell you Mr. Chairman, that while the railroad boys who have been sponsoring this legislation may not have written this provision, they saw it before we from the areas discriminated against saw it, and I guarantee you that it meets with their approval. It does not provide for a thing more than the Interstate Commerce Commission now has authority to do. It says, "You gentlemen investigate the rate structure in certain sections of the country as it relates to manufactured products, and then if any relief is needed, grant that relief to such products."

Now, when they tell you that manufactured products are the only products that need adjustment, I ask them to tell

you why it would not be all right to go ahead and investigate rates on all products, whether manufactured or not, and then apply the remedy to only such products as need to be remedied.

As I said to the gentleman from Arkansas this morning, suppose lawlessness breaks out in the town of Little Rock and somebody thinks the Negroes are responsible for it. Can you imagine a committee of citizens coming in and saying to the district attorney's office and the sheriff and the police department, "Go down into that section of the city and investigate lawlessness as it relates to the Negroes?" No. They will say, "Go down there and investigate lawlessness. We have been told that the Negroes may be responsible for it, but wherever you find lawlessness existing, it shall be your duty, and you shall have full authority to put it down, regardless of who the guilty parties may be."

And so it should be as to the rate differential problem. The Interstate Commerce Commission should be given authority to make a full, fair, and complete study and investigation as to rate differentials and discriminations in all sections of the country, and on every kind and character of goods, where it is alleged such unfair and discriminatory rates exist, "and to enter such orders as may be appropriate for the removal of any such unlawfulness which may be found to exist." [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I had not intended to enter into this discussion on the particular amendment until the gentleman from North Carolina [Mr. WARREN] made the statement he did with reference to this section of the bill. Of course, he is entitled to his opinion. So are other gentlemen who say it is not of any value. I simply want to state the facts for the benefit of the committee.

Some 4 years ago I introduced a bill attempting to have the Interstate Commerce Commission apply the destination level theory to interterritorial freight rates. We got a hearing before the committee this year on that bill. We did have an organization of western and southern Members who helped to get that hearing. They did not endorse the provision in this bill. It never was submitted to them, but when we got the hearing before the Committee on Interstate and Foreign Commerce, both in the House and in the Senate, the rate experts from both the South and West appeared before those committees and argued against the bill which we had pending. One of the main arguments they offered was that we had preferential rates on agricultural commodities and raw materials from the South into the North and from the West into the North, and they feared that such rates might be disturbed under my bill. I do not know whether that is true or not.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I am sorry. I cannot yield.

Mr. SOUTH. Can the gentleman name those experts?

Mr. RAMSPECK. That testimony was given. I have no objection, insofar as I am concerned, to the Whittington amendment. I have so stated to people who have talked to me about it, but there is this to be pointed out about it: Certain rate experts from our own section and from the West were apprehensive about going into those rates. It is also true that if the Interstate Commerce Commission must investigate all rates under the bill, it will take much longer, and the real problem, as I see it, is the rate on manufactured products.

I want to make it plain to those who are interested in this matter that I am not here opposing the amendment offered by the gentleman from Mississippi.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WHITTINGTON. With or without the amendment, only such investigation will be made as is asked for.

Mr. RAMSPECK. That is true.

Mr. WHITTINGTON. And nobody is going to ask for an investigation covering an agricultural rate if they are getting a square deal on that already?

Mr. RAMSPECK. That is true, and the reason is obvious. It simplifies the investigation. May I point out to the gentleman from North Carolina, I know of one case coming from Danville, Va., where the people in Danville spent $60,000 in order to get a rate reduced. Under this provision the Interstate Commerce Commission is directed to investigate those rates, and certainly it will save a lot of money and a lot of trouble to the people who are interested in them, because all they have to do is write the Commission a letter and say "I want this rate investigated," and the Congress has directed them to do it. They ought to be investigated, because if there ever was a cockeyed thing in this world, it is the freight-rate system under which our railroads operate. There are more freight rates in existence than any man can write out in figures. Some five quintillion freight rates in this country. They are just full of discriminations, I mean discriminations between sections of the country, discriminations between cities, towns, ports, and in character of commerce, and everything else. They ought to be investigated.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SOUTH. And those discriminations do not apply entirely to manufactured goods.

Mr. RAMSPECK. I do not say that they do. I say to the gentleman that I am not opposed to the amendment, but I am opposed to any gentleman getting up here and stating that it does not mean anything. It does mean a lot to the people interested in getting a real freight-rate system in this country; and that applies not only to the South, but to the West and all other sections of the country.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. HALLECK. I understood my colleague on the committee from North Carolina to refer to the inclusion of this provision as a sop, to refer to it in a sarcastic manner. I think that was not his idea.

Mr. RAMSPECK. I mean the gentleman from North Carolina [Mr. WARREN], who interrupted the gentleman from Mississippi and said it did not mean a thing. I think he is mistaken; but he is, of course, entitled to his opinion.

[Here the gavel fell.]

Mr. TERRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was one of the members of the freight-differential group that requested the consideration and hearing by the Committee on Interstate and Foreign Commerce of the matter of freight-rate differentials. It is not a matter of theory as to whether or not we have freight-rate discriminations in this country. It is admitted that we have, and it is one of the livest questions we have before us today. I think one of the hopes we have now is that on the Interstate Commerce Commission in recent months there have been appointed men who have a broad vision and who will go into these questions of discrimination, and I think we shall get a fairer deal in the future than we have had in the past.

In House Document No. 264, that was printed in reference to the interterritorial freight-rate question, it is said, on page 8:

> The effect of this regionalization of the freight-rate structure is to localize commerce by hampering a national flow of goods across territorial boundary lines. It is natural, however, for commerce to expand as civilization progresses, and as long as these barriers against a national flow of commerce remain economic progress of the Nation will be retarded.

That is the reason, Mr. Chairman, why we direct the Interstate Commerce Commission to make an investigation of these discriminations. In the bill (S. 2009) that was passed by the Senate in May there was an amendment offered by Senator Hill, a former Member of this body, which includes rates on raw materials, in addition to manufactured products, as subjects for investigation. It has been said, Mr. Chairman, that we in the South do not want to go into the question of raw materials. It has been stated here that we have preferential rates on raw materials, and therefore that we ought to be quiet. I say to you, Mr. Chairman, as a Representative of a part of the South, that I am perfectly willing that all rates, whether favorable or unfavorable to the South,

shall be investigated; and if it is found that we have rates we should not have, I say they should be taken away from us and that we should be put on an equality with the rest of the country. What I want is a full and fair investigation into the whole rate structure in all parts of the country. But I do not believe that an investigation will show that our raw materials are unduly favored.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. TERRY. I yield.

Mr. SOUTH. The gentleman from Arkansas knows that the rate on butter, eggs, and poultry from Little Rock, Ark., to Chicago, Ill., a distance of 625 miles, is $1.11 a hundred, where the rate on the same products from Chicago to Auburn, N. Y., a distance of 626 miles, or 1 mile farther, is 81 cents.

And I would like to ask the gentleman further if he thinks the provision, particularly with reference to domestic freight rates in the bill, will help that situation?

Mr. TERRY. Personally, I think the provision in the bill will not help that situation, for there are discriminations with respect to raw, manufactured, and agricultural products. I say that if there are discriminations and preferences, whether they be for or against us, they should be investigated.

I ask the Committee, Mr. Chairman, to sustain the Whittington amendment.

Mr. PATRICK. Mr. Chairman, I rise in opposition to the Whittington amendment.

Mr. Chairman, we in the South, of course, are not opposed to anything that can reduce the rate discriminations that exist or aid the movement toward correction that has been started; but here is the danger we are running into: If we do not watch out we are going to bite off more than we can chew, that is exactly what is likely to happen. Do you realize what a tremendous thing this is we are getting into, what will be necessary to be done under this legislation if we include agricultural commodities and raw materials? Why, the whole Nation's face is our field, and a tremendously difficult and expensive thing to handle if we should get it going as is here begun.

BOB RAMSPECK is not going to offer anything as a sop. I am surprised that those who know him would make the statement that this brilliant gentleman from Georgia would come forth after all these years and stick something in here which is meaningless and is merely a sop. It is like hunting with a splatter-bored shotgun as against a choke-bored gun. If you go out and hunt with a choke-bored gun you can sight something and perhaps hit it; but if you go out with a splatter-bored gun you may shoot all day long and hit nothing.

That is what is in our minds here today. We have something to do and we can do it if we proceed wisely, but must undertake legislation in such form as to be practical and which can be carried forth, or else the whole thing will go by the board. That is the problem before us.

Mr. Chairman, I cut my teeth on this freight-rate proposition. One of the reasons I am in Congress today is because I was able to holler so loud and so long about the freight-rate proposition. This Ramspeck resolution was introduced on March 22 of this year. As a matter of fact, it has been introduced every year for 4 years. An investigation was had and hearings were held. The committee sat and heard a great volume of testimony on it and all that the hearings revealed that could be intelligently proceeded against were these manufactured products that are contained in this bill. It does not show good faith for those who only now come forth at this late date and offer matter of this sort that would if properly presented necessitate long and painstaking hearings, with experts and others, not somebody who will just cut loose and say something in the wind, hoping to ride in on the tail of a section of the bill.

Experts must be heard in testimony as to many things to bring this phase of the bill properly before us today. It shows lack of good faith to come in here and amend in this superficial manner after all the painstaking, expensive hearings that were necessary to get this considered. This should not be put in as a sort of rump measure. That is not the way to secure constructive, successful legislation. Many other difficulties will appear. Of course, this is politics, but we are not Republicans or Democrats on this bill. Democrats and Republicans are on each side. This truly renews our faith in the sincerity and devotion to cause of this body. We find the strong gladiator from North Carolina, Mr. WARREN, unsheathing his sword in defense of the other side. But we shall be able to mow him down, no doubt. Of course, his presence in the other camp distressed us a little.

Mr. Chairman, we have to undertake a program that is possible to be carried through, and we have to hold to this if legislation ever does what it has as its purpose, and that is the reason I oppose the Whittington amendment. We have a chance to open the door to something we have been fighting for for years. But if we go and open up the floodgates under the Whittington amendment and get the whole thing in, the likelihood is that the legislation will not pass and the bill will be defeated. In the second place, if it does go through and pass into law, the whole field spread before us, we cannot concentrate our efforts and get the results we want. This will dissolve the law into an ineffective wide gesture only.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment and this subsection close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE of Oregon. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON]. If there is anything in this Government, in any way, shape, manner, or form, that really needs investigation and a careful study by all the intelligent people of the country, it is railroad rates. You can take the list and go through the freight schedule, and you will find no consistency, no rule of reason, nothing that seems to guide them, except "get all the traffic will bear."

For almost half a century I have been paying freight rates on cattle, sheep, hogs, and wheat. We are located about 300 miles from tidewater. I have seen those rates climb year after year, especially since the management of the railroads has been moved to New York. When the management of our western roads was local, we could go to Portland, Oreg., and talk to the general manager. We could there make a showing as to our case. I remember a distinct case in which I made a presentation to the management of a railroad in the West that 4 cents was too much of a differential for the haul over a mountain. The management changed it and made the rate 2 cents. When the power to regulate the railroads moved back to Wall Street, that is one of the changes they made in our community. That rate was put back to 4 cents extra to haul over the mountain, and we have never been able to get even a hearing since that was done 12 or 14 years ago. Under the I. C. C. it would take years to get a decision on such a matter.

We have received some relief from these excessively high rates since the coming of the truck, and with the limited water transportation that has been available. Railroad rate making ought to be investigated and we ought to know if some rule of reason cannot be adopted so far as these freight rates are concerned. The reason this bill is here is to get more money for the railroads, at any cost to all others. There is no other reason for bringing it in here for consideration. It will not afford more employment, it will not result in better shipping conditions, it will not increase industry, nor help the farmer. It may not get more money, legitimately, though its privileges will cost the Government a pretty penny. Who will pay the bill? The farmer and the laborer, the man who cannot pass it on. That is the man who ultimately pays. He must pay this extra money demanded for carrying freight. They have put the rates up as high as they possibly can now where there is little competition from the trucks. The trucks now are under the

control of the Interstate Commerce Commission. We passed that law, although I voted against it. Now, it is sought to get water under the same group, which means shoving those rates up just as close to the railroad rates as they can get them, which means more money from a few, not more traffic from the many.

The group of men that are most fooled in this thing is the railroad workingmen. Why, if it were not for the railroad labor lobby here in Washington now this bill would not stand a single chance of being passed. It would not get 100 votes.

Mr. Chairman, I can remember when, in my far-away Oregon home, I used to think of the Congress, the House of Representatives, deliberating on this floor and in committee over bills that were being considered for enactment into law. I had enjoyed some years of legislative experience as State senator and as Governor, but in my humble way and from my western training I really believed that the laws which governed us nationally were carefully considered in detail in committees, debated with care, and then finally enacted after intelligent procedure and deliberation. They were to my innocent mind assumed to be the product of mature judgment. I am now serving my fourth term in this body. I have been somewhat disillusioned by what I have experienced and witnessed here in regard to the consideration and final passage of many important and far-reaching laws which have been added to the statute books since I took office on March 3, 1933. Never have I been more disillusioned, and never has my faith in democratic processes received a severer blow, than in the legislative history of this measure now under consideration.

We had heard that a railroad bill was coming. There had been placed on our desks the report of the Committee of Six. Everyone had been propagandized into full knowledge of the "plight of the railroads." Some of us thought we knew something about it and were eagerly awaiting opportunity to study proposed remedies and hear them discussed on this floor. We knew the Committee on Interstate and Foreign Commerce of the House was considering such an act and that it had before it a measure passed by the Senate and studied by our membership. Suddenly, on Wednesday, July 18, there came from the printer and was given to the House a bill 304 pages in length, with two volumes of House committee hearings and a brief report giving little clue to the real significance of the proposed changes in our whole transportation system. As we thumbed through the bulky pamphlet we found that 196 pages had been crossed out. They were the Senate bill, for which 108 new pages had been substituted, retaining only the title and enacting clause of the original bill already given such careful study in the Senate.

APPEAL TO RULES COMMITTEE

A few of us appeared before the House Rules Committee to protest giving a rule for the consideration of this stupendous, sweeping, revolutionary legislation in these closing days of the first session of the Seventy-sixth Congress, knowing full well that the rule would mean pressure for quick enactment of a measure little understood, very much under suspicion, and menacing in its possiblities. It is midsummer. We are all tired and worn from a long session. Most of us are disappointed over the results of the session; some are resentful; and many Members of the House have one or more bills they are anxious to see enacted in these closing days. In our appeal to the Rules Committee we asked that the rule be denied at this time, and that upon adjournment of Congress we be allowed to take this bill home for the study it merits and demands. If such legislation is necessary or called for, in part or in its entirety, then next January we could commence discussion and consideration of the measure which will effect, directly or indirectly, more people and interests than any other bill that has been considered since I have been in the Congress.

The Rules Committee saw fit to grant the rule. We are now to be allowed 6 hours of general debate, and then reading of the bill before it is put up for final passage, all within 3 or 4 days.

DEMOCRACY STANDS INDICTED

I never have seen, in my time, nor have I read in our history of as severe an indictment against democracy as the forcing of this bill for consideration, or rather, without consideration, in these midsummer days. For its careful consideration there is no reasonable opportunity nor would any such effort now be fruitful. It is simply impossible to cover the ground in so short a time, and no instructive leadership has been offered for the clarification. The methods used, the long delay and sudden rush, rightly or wrongly, engender suspicion and distrust. Perhaps out of 435 Members, perhaps I say, 10 percent will read the bill carefully. Perhaps 1 percent will have a fairly clear understanding of what it really means. No one can predict its ultimate effect.

The Senate bill, with its 196 pages, covers the problem from one angle. The House bill in its 108 pages, considers it from another angle. Should this bill pass, then it has to go to a conference committee between the two Houses as the Senate bill and House bill clearly disagree. The rules of this House already establish a precedent whereby bills of the same title passing each House but differing fundamentally may be "harmonized" by giving the conferees the right and power to write their own bill. Does anybody in this broad land believe that the 6 or 10 conferees who will be appointed from the Senate and the House will in the closing days of this session be able to coordinate and write a satisfactory conference bill? I do not think anybody is so foolish as to believe that. The conference agreement would, of necessity, be "guided" by the well paid railroad lawyers and lobbyists who are here in the National Capital with their stenographers and statisticians and have already been too powerful a factor in this matter. Do the producers and shippers of this Nation desire to be subjected to the conditions of a law hastily drawn by a few men in a closed conference chamber? Is that the best we can do under a representative government? Do honest men wish to accept the full responsibility of decisions of such vital importance? Would it not be more creditable to our Government and to this administration to remodel our transportation laws in the full light of day and with all the discussion and information obtainable? We all know the bill will be handed to the conferees and their version will probaby be adopted by each House, and that will be the law. Not a Member of this House can predict what that law will be nor will he have the privilege of modifying or amending it.

WHY THE HASTE?

Why the haste? Do it now while we have the country geared up to the idea, they say. Next winter there will be more time to consider and there might even be a change in public sentiment. At any rate, we shall have time to learn what is actually in the bill and whether shippers and other forms of transportation are afforded any protection.

The very fact that its sponsors are willing to have the bill carefully scrutinized by the Congress and the country would do something toward restoring the confidence in legislative bodies now badly shattered even among members of those bodies. Among other things, I should like time to investigate part II of title III briefly set forth on page 10 of the committee's report as "relating to the payment by the Government of full rate in the case of land-grant carriers." This royal gift to the railroads was not included in the Senate bill. Why should the richly endowed land-grant railroads now be relieved of the obligation entered into as part, a very small part, repayment for public lands looted from the people under misapprehension as to the ultimate status of the railroads in relation to the public? How can we without information or reasonable argument so betray our people? Further in that section, which appears to me to be amazing, I read that a certain section of the statutes "shall not hereafter be construed as requiring advertising for bids in connection with the procurement of transportation services when the services required can be procured from any common carrier lawfully operating in the territory where such services are to be per-

formed." Just how far reaching is that clause and what sharpster from our financial overlords slipped it into the bill when vigilance was suspended?

I do not know what all is in this bill. You know little more than I know. Can I decently be asked to vote for a hundred pages of concessions wrung from a congressional committee through a few weeks of pressure from railroad owners who have themselves ruined a great industry and have been a corrupting influence in legislatures and Congresses ever since their earning powers came to the attention of the greedy rascals who ruined them? Any Member who votes "yes" must be voting his entire confidence in the too-hurried committee action, or his indifference to a subject of vital importance to the well-being of the people he represents. I cannot yield my judgment on such a matter. I have followed this railroad problem studiously for over half a century. The proposed action seems to me to indicate only the depths to which our legislative routine may be lowered when resort is made to threats and fears. Just a seasoning of patience and reason will help us to weather this crisis more successfully than will hasty action. I do not minimize the importance of the railroads. I am willing to support any reasonable, fair, and clearly understood legislation to help carry them through the reorganization necessary to throwing off their shackles. I will not vote to bestow privileges on one group while imperiling the others involved. Since there is no public demand for this legislation, we are, in effect, legislating in response to private demands. It piles more favors on a group suffering from its own bad conduct.

WHO WANTS THIS BILL MADE A LAW?

There is no dire need for such a comprehensive act at this time nor for such hasty action. There is no demand for it except from the group in Wall Street which owns or rather controls the securities of the railroads. We have not heard that it is demanded by our governmental agencies which have given us as a Nation such a heavy stake in our railroad system. The farmers surely do not want it, and they seem to understand that it heavily penalizes our basic industry—agriculture—to pay the heavy debts accumulated over long years of wicked manipulation of our transportation system upon which producers are so entirely dependent. The shippers do not need it. The Interstate Commerce Commission has not asked for it and it now has more laws than it has been able to digest and enforce without unconscionable delays.

This bill will be no aid to industry, but rather a handicap. What is the object? Why was it thrown at us in this manner at this late date? The reason offered for popular consumption is that it will increase the income of the transportation lines. We are not told what incomes will be curtailed or wiped out for the benefit of this one industry. Have the railways not been receiving enough to pay the costs of operation with a reasonable profit? The reply depends somewhat upon the viewpoint as to essential costs, especially in relation to interest and dividends on overcapitalization.

The history of railroad operations in the United States may be truthfully written some day; and if it ever is so recorded, it will show more fraud, juggling, and manipulation than any other line of business the world has ever known. The private electric utilities have done quite a job, but they are smaller. The men who have dominated the financial affairs of the transportation lines have sought always to keep the capitalization high and have dissipated the income to suit the whims of those controlling overlords who know little of railroad management and operation and take no pride in achievement in the transportation field. It ever has been the policy of the companies to charge all the traffic would bear, even when a different policy would have brought in more revenue, as has been amply demonstrated in recent practice. Controlling most of the press, either directly or indirectly, the manipulators have been able to put over the propaganda, and they have skillfully laid the groundwork for this present effort to put into their hands means to enable them to continue to carry on their anti-social business of squeezing every dollar possible from the public and blocking progress by destroying competition from other types of carriers.

RELATION TO RAILROAD LABOR

Let no one be deceived into thinking this bill is a measure conceived for the purpose of aiding or designed to aid and extend railroad employment or to increase or maintain wage rates. Let no one imagine it will provide work for those tragically situated groups of railroad men who have been "off the boards" for so many months. Will the railroads employ any more men if this bill passes? It is the idea that they will do so which influences some Members and may make this legislation possible. It is a false idea. The railroad companies said the same thing to the employees 20 years ago, when Congress was considering what is known as the Transportation Act of 1920, and still today there are less than half as many railroad employees as there were in the happy days of the 1920's. Railroad men in my home town, a railroad center, must have a continuous service of nearly 20 years before they are afforded continuous employment on the railroad. Longer trains and bigger engines have laid off men by the scores. Efficiency experts come through every little while, stand around in the shops and offices, and spot some poor employee who can be retired and his work shouldered on someone else. Engines are now in the making that will haul not only 100 cars but up to 175 cars, thus lengthening the distance between the engine and the caboose, which the workers want shortened in the interests of safety and employment. If it were not for the assistance of rail labor, this bill would stand no chance of being enacted into law at this time.

There are not 25 percent of the Members of this Congress who would vote for the bill if it were not for the pressure of the brotherhoods and the railroad employees. Yet the very companies which demand this legislation have mercilessly opposed the reasonable gains through legislation for the benefit of these groups. Where would the employees be now if Congress had listened to the men in whose interests this bill is presented? True, the trainmen are opposing it, and that they have able and fearless leadership is amply demonstrated by their statement in reply to the proposed wage reduction in 1938 "Main Street—Not Wall Street." It certainly puzzles me to have any of the intended victims of that wage-reduction movement pleading now for Wall Street.

LOBBYISTS AND PROPAGANDA

I just wonder how many lobbyists there are in this town now for this bill. I think if the truth could be known we would find that there are hundreds, well paid, expenses taken care of, meals and refreshments provided, managed by a slick, smooth group from Wall Street that knows how to lobby. I remember once in the State of Oregon when I opposed a bill that was put up to a referendum of the people. A tremendous campaign was made by the packing interests which opposed legislation desired by the dairymen. Expert managers in lobbying were brought into the State. After the election was over, in talking with one of the lobbyists, I said, "Tell me how you did it. How could you fool the people and make them vote against their own interests in a matter of this kind?" I will never forget his reply. "Governor Pierce, it is easy enough if you have plenty of time and money and put on the propaganda and have most of the papers with you." It is easy enough to make the people vote their rights away. Yes, you can herd them like bands of sheep. Put on the propaganda. Certainly that is what has been done in this case. The question has been asked who planned the legislation and who can explain it. I just wonder!

THE BILL DESIGNED TO KILL WATER TRANSPORTATION

The Government has invested over $2,000,000,000 in improving our waterways and harbors. The real object behind this bill is to prevent the use, as far as possible, of the rivers, the canals, and the waterways for the transportation of freight. The Interstate Commerce Commission having water, truck, and railroads all under its jurisdiction, and a mandate from this Congress, in this bill, so to fix the rates

that there shall be sufficient money earned to pay the costs of operation and dividends on stocks and bonds for a huge overcapitalization of railroads (double the actual value) would throttle truck and water competition. No one not a producer or shipper can fully realize what the coming of the motortruck has meant for short hauls. No one remote from waterways can understand the hopeful expectancy with which shippers have looked forward to relief through that ancient, efficient, and cheap method of transportation—by waterways. The plan is to raise the cost of transportation by water and then the shipper would move his products by rail, as it is quicker. Where the time element is of little importance he should be allowed to benefit from the cheaper method of hauling. There is room for all carriers. Let them share the business. The greatest harm I can see in this bill is that it is designed to kill water transportation by putting it under the Interstate Commerce Commission. Does it need regulating at public expense?

Our learned colleague from New York [Mr. WADSWORTH] has admirably set forth the effect of this proposed legislation on certain classes of water carriers. I urge all who did not hear his talk to read it in the RECORD and to read the minority views which he signed in the House report on the bill. I cannot too strongly urge a review of that brief minority report which gives the story in compact form, told by those who have had the benefit of committee hearings. They say part III on waterways should be stricken out—I quote significant sections 6 and 8:

(6) It is a matter of common knowledge that the producers and the consumers of the Nation must pay the entire cost of transportation, whether that cost be much or little. There is no denying the fact that the primary purpose of regulating water transportation is in order that the cost of such transportation may be raised, for the purpose of eliminating, as termed by the sponsors of such regulation, "cutthroat competition." With the farmer on the verge of bankruptcy, it is going to be difficult for him to pay the increased cost, resulting from this regulation. It is significant that the farmer has not asked for this legislation. The same is true as to industry generally.

(8) The adoption of this provision will not and cannot materially help railroad labor. As stated above, the total amount of freight handled by the water carriers involved amounts to less than 4 percent. If this traffic were taken over by the railroads, the handling of it would be easily accomplished by slightly lengthening trains, without increasing the number of employees. In other words, both management and labor in the railway field, we believe, are chasing a rainbow in their hope that this bill will bring them prosperity.

The Representative clearly showed that this bill is aimed at the contract carriers on the waterways and the tramp steamers carrying about half of our inland water-borne commerce. The other half of the inland water commerce is owned and controlled by big shippers—steel, coal, and big industries. They are not affected by the bill, of course.

THE FARMER CANNOT BEAR THIS LOAD

The object of this legislation is to put value into the fourteen billions of so-called securities that have no value today, and should not have any. Somebody must be made to pay. Who will finally pay? The farmer and the laboring man. Those who cannot pass the load along. The farmer and the laboring man have ever been the "goat." I assure the proponents of this bill that the agricultural community is in no condition, financially or otherwise, to take on this increased burden of making good $14,000,000,000 of worthless securities owned and controlled by Wall Street.

I want to warn the selfish few. I want to warn the greedy group who seek by this legislation to put another mortgage upon the farmer and to foreclose on the laboring man's home. I want to warn them that these people are just at the breaking point and this may be the last straw. The farmers have already been aroused and are frantically appealing to Congress for assistance and the right to security and a fair return for labor and sacrifice. Aid has been granted under this administration, and the farmers see a half-bright day, especially those who grow commodities like corn, wheat, cotton, and tobacco. Oh, I do not say they are prosperous but they are far better off than they would have been had they not been protected by the legislation enacted during the last 6 years and the appropriations made for their benefit. This legislation would simply make their position more desperate. Pass it, and they must be back here again next winter and the following winter for further subsidy. You and I know that the breaking point of our Treasury is not far away. The hour is too critical for such profligate flinging of favors to the banker group of the Atlantic border. We of the West and South resent insistence upon consideration of legislation of this character at this time to be enacted under whip and spur in the closing hours of this Congress. We fear for our agricultural interests.

Prices at ports are determined and fixed by world's prices. If costs of transporting products to these ports are increased, the farmers must bear the burden. They will bear the heavy costs of restrictive transportation legislation. They will not surrender without a bitter fight the right to enjoy the benefits of all methods of transportation. The beneficiaries of this bill would be a very small group, powerful, and insolently grasping. This is not proposed in the interests of railway labor, which would not gain in security. It would mulct the shippers and producers for the great financial interests which practically own this country, run its machinery, and work their way with its legislative bodies through creating panic for fear they may break further. The political party which sponsors such legislation should and will pay the penalty by forfeiting public confidence. The story will get out because the bills will be presented for payment and the real oppressors will be apparent.

RAILROAD FINANCIAL JUGGLING

It is simply nonsense for the proponents of this measure to claim it is for the purpose of railroad stabilization, coordination, or some equally comprehensive or meaningless phrase. That is not the object at all. The object is to get more money for the railroads, giving them license to loot the Government and the shippers. This is to be done, not by creating more traffic, but by killing off competition and giving the shipper no choice between rail, water, or motortruck. The companies have no trouble, with their brilliant array of counsel, in increasing freight rates, whether justified or not, and all so-called regulatory legislation has not been for the interest of the shipper, the industrial plants, or the laboring man. It has been largely in the interest of the manipulators who have handled and juggled the securities.

Just think of the figures. When the Transportation Act of 1920 was passed all the railroads in the United States could have been purchased for $12,000,000,000, their market value. If they sold today at the prices for which stocks can be purchased in the markets they would bring $12,000,000,000, where they stood 19 years ago. Railroad companies have never worked on the principle of amortizing or paying off their debts. If a worn-out piece of equipment is cast aside, the cost of that equipment is still continued in the capitalization and the shipper is expected to continue to contribute above the cost of operation so that dividends can be paid upon the equipment gone to the wrecking pile in years long past.

The transportation act froze into the capital structure over $12,000,000,000 of water, the capitalization becoming about $24,000,000,000. Then from the deft hand of the inventor came the perfected internal-combustion engine, which was speedily installed in cars—the truck, the tractor, and the private automobile. The overcapitalized railroads suddenly found themselves confronted with their barrier of accumulated debt which kept them from meeting the new competition. This overcapitalization had accomplished no good purpose. It was an evil outgrowth of evil practices.

LABOR AND SHIPPERS PENALIZED

Before the World War, the railroads had almost ruined the waterways by unfair, unjust competition. About that time there was a revival of interest in water transportation and Congress was asked to appropriate money to help restore abandoned and unused water lines, especially on the Great Lakes and the Mississippi. The operating managers of these railroad lines did their best to meet competition. They discharged railroad employees by the thousands, cut their pay rolls, increasing the use of their engines, lengthening their trains, and demanding more service everywhere; but

the insatiable demands for interest and dividends prevented recovery. The overcapitalization was continued with the consent of the Interstate Commerce Commission which many have been unkind enough to say became the ally of the railroad companies, forgetting its sworn duty of protecting the public. Freight rates have been increased to the point of confiscation. In many of the intermountain, western, and southern sections it costs more to transport agricultural commodities from interior shipping points than the producer gets for his labor and investment. He receives no profit but feeds the people at a loss. I have seen wheat in my home town sell for 23 cents a bushel with a transportation rate of 20 cents to tidewater, 300 miles distant. They have squeezed the lemon dry and if they raise the rates any more, well, they will find they have passed the line of diminishing returns.

LONG-AND-SHORT-HAUL BILL

Four years ago in this Congress the railroads sought to pass through Congress the Pettengill bill repealing the fourth section of the Transportation Act. The object was to allow them to charge more for a short haul than they did for a long haul in the same direction over the same line. That act passed this House over protests from farm interests. Its final enactment into law was blocked in the Senate. It has been stated that the Senate bill does not repeal the fourth section of the Transportation Act, but other students of this legislation say that it does repeal that section. Who knows what we may find the House bill actually does in that respect? No transportation legislation could be more injurious to farmers than repeal of that clause.

WILL DEMOCRACY PREVAIL IN AMERICA?

For years I taught my students what I myself firmly believed—that our country was giving to the world the finest example of representative government. I believed and taught that our democracy had been finally tested by the great upheaval of civil war and had proven that it would endure. I believed and taught that in our land all men had equal privilege and enjoyed opportunity to mold their lives by their highest ideals. I believed and taught that our Government guaranteed us against oppression and in our rights of property and free trade intercourse. Now, in my last years, I find instrumentalities for our destruction in those very institutions of government which I had thought to be bulwarks for our defense. I now realize that special privilege knows no party lines and is seldom prevented from reaching its goal. I now see clearly that a dangerous bureaucracy has become fastened upon government, a horrible parasite. This bill is one more step toward that bureaucracy which I have learned to fear. The tendency to gag rule and to pressure methods in our Congress, and the enactment of legislation which gives privileges to some while curtailing the rights of others make me fear for the future. If people wholly lose confidence in legislative bodies and become bitter and cynical about government we can no longer afford the world a beautiful and hopeful example of democracy. Some of our performances this session have left me saddened and discouraged. This handling of the railroad bill is one of them. I deplore such conduct of public business. I resent the assault on legislative decency.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HALLECK] for 4 minutes.

Mr. HALLECK. Mr. Chairman, it occurs to me that there are some things in connection with this amendment that should be said. In the course of our hearings the committee was asked to hear certain people—I do not say they were all from the southern sections, but I would say they were predominantly from those sections—who for years have been complaining about alleged freight-rate discriminations against them. The committee took time in the course of the hearings to hear them. When we started the hearings there had been proposals in the Congress which would in effect have put the Congress of the United States into the business of making rates. When the rate experts representing those sections appeared before our committee, every one of them admitted without exception, when questioned, that they did not expect the Congress of the United States to make the rates; that that was a power properly vested in the Interstate Commerce Commission and that it should remain there. The last thing in the world they wanted was that the Congress undertake to make the rates. Why, that is one of the most complicated matters of which you can conceive.

To go back a little further, there has been controversy between the different States of the country over alleged freight discriminations. We have had the Southern Governors' case before the Interstate Commerce Commission, opposed by an association of northern Governors, including my State. Without regard to who is right or wrong, the Commission is the place where the controversy should be settled; not in the Congress of the United States.

Our hearings disclosed that there are really no discriminations in regard to freight moving from north to south and from south to north. You can find differences in the freight rates within some sections of the country and official territory, but people will fairly explain to you that those differences result from differences in the density of traffic and a lot of other situations that do not really involve unjust discriminations.

Where are we in this matter? I refer to the Southern Governors' case, which is the case where these people are asking for relief. They did not in that request include one single item of raw products. Every item they referred to is a manufactured product. That is their attitude. If that is what they want, why not put it in that way? I seriously doubt whether this provision has any place in this bill at all, but in the interest of fairness and in the interest of seeing that justice is done I am going along with the provision. But if you people who live in sections against which you think there are discriminations really hope to accomplish something by this provision, you had better keep it as it is written.

As far as farm freight rates are concerned, in the 1938 Farm Act we authorized and directed the Secretary of Agriculture to intervene before the Interstate Commerce Commission to the end that the interests of the farmers might be protected. I do not know how fully he has exercised that authority, but it is there and it can be exercised.

So I say to the members of the committee, let us not go too far in the direction of setting up the Congress as the body to make rates. I believe there are something like half a million different freight rates in this country. Does any of you think you could sit down as a Member of this Congress and fairly and efficiently pass upon those different rates? The so-called Ramspeck resolution seemed to finally represent the wishes of the interested parties. So we put that in the bill. I still believe that it fairly represents what they want. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MCLAUGHLIN].

Mr. MCLAUGHLIN. Mr. Chairman, much has been said in the debate on this amendment regarding the group which organized last winter to see what could be done to eliminate discriminations in freight rates between various sections of the country. The gentleman from Georgia [Mr. RAMSPECK], who has spoken on this amendment, was selected as chairman of that group for the reason that he had been active in that work for several years. It fell to my lot to be a member of the executive committee of the group and to act as secretary of the organization. As a representative of the West, I can say that the group was not composed entirely of southerners, but consisted of a representative group of Members of Congress from all parts of the country which are adversely affected by the discriminatory practices which exist under the present system of rate making in this country.

The distinguished gentleman from Indiana, for whom I have a high regard, indicated in the speech on the amendment which he has just concluded that the amendment of the gentleman from Mississippi, which would have the effect of

authorizing and directing an investigation of rates on agricultural products and raw materials, is not needed and that no one has asked for it.

I refer, Mr. Chairman, to House Document No. 264 of the Seventy-fifth Congress, which, on page 41, sets forth a list of rates on butter, eggs, and dressed poultry from various points to various points in this country. In that list is contained the following:

The rate from Lincoln, Nebr., in the State in which I live, and in which State, of course, is located the district which I have the honor to represent, to the city of Cincinnati, Ohio, a distance of 746 miles, is $1.14 per hundredweight. From Kingston, N. Y., to Cincinnati, Ohio, the same destination, the distance is identically the same, 746 miles, but the rate is 88 cents as contrasted with the rate of $1.14 from Lincoln, Nebr., to Cincinnati. Lincoln, Nebr., is located in western trunk line territory and the other points mentioned—Cincinnati, Ohio, and Kingston, N. Y.—are located in official, or eastern territory.

So I suggest to the gentleman from Indiana [Mr. HALLECK] he is not entirely accurate in his statement. There is necessity for an investigation of the discrimination which exists on agricultural products and raw materials, but I suggest to this Committee that we are making a great deal out of something about which we need not make much, because while this amendment would authorize and direct the Interstate Commerce Commission, in making its investigation on manufactured products, to include an investigation on agricultural products and raw materials; investigation of rates of any sort would be made only if a shipper asked it. If the shipper did not complain, of course, he would not ask for an investigation of rates and none would be made. I submit that this amendment should be adopted. [Applause.]

Mr. ALEXANDER. Mr. Chairman, you have all heard the joke about the farmer who shipped his hogs down to South St. Paul and then got a bill from the railroad for freight because the check received for the hogs was not enough to pay the freight bill. Well, that is no joke to the farmers of the great Middle West whose prices have been on the toboggan ever since the slump started in 1922. It may be a joke to the farmers of the other sections of this Nation, I cannot speak for them, but I can speak to a certain degree for the farmers of the Middle West, and I know you are discussing today one of the most fundamental and serious problems which confronts their welfare and through them the future, in fact, of this Nation, and still you refuse to allow this amendment to go through which would make it possible to examine this problem—not to correct it, but at least fully to examine it.

You know, in the final analysis, this bill which we are discussing now would not only give control over all freight rates and all transportation to the Interstate Commerce Commission and through them to the railroads thus doubtless raising rates still higher; but it will serve to increase Government control, Government manipulation of business, and Government regimentation and operation.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I cannot yield now.

You know, at least a majority of you do, as I know, that what we need in this Nation is to examine these high freight rates, especially on farm products, and I believe that we would find that it is the underlying cause for the farmers' plight and inability to sell his produce, as well as the plight of many other lines of commercial activity in this Nation. You know the basis of the farmers' trouble is that he has not any of the artificial protection which we have placed around the railroads. The railroads have connived with and through the Interstate Commerce Commission to force up their rates artificially, and the farmer has been forced to pay those rates because he could not protect himself, and still certain members of this committee refuse to insert this amendment which would make possible an examination of this disease of our national economic body.

I would venture to say that if the majority of the 117 new Members in the House of Representatives this year were truthful with themselves, they would admit they were sent to Washington on the basis of a promise to work for less Government control and manipulation in the administration of business. I will venture to say that you probably took to your constituents and to the voters of your district who sent you here a plea, at least by insinuation, that if elected to Congress you would end this Government manipulation and control of business; that you would lend your voice and vote to putting a stop to this continual infiltration into business by Government agencies, and I would like to suggest, at least to my Republican colleagues on the left and especially to those who seem to be so intent on supporting this measure, that if I am not mistaken, next year, when some of you go back to your constituents and ask for reelection, you are going to be brought to task if you continue in your evident intent to bring to the Nation, as you are doing through this bill, still more Government operation, control, and regimentation of our daily lives and our business structure. I hope for your sakes, as well as for the sake of my good colleagues on the right who are for this bill, that you will see that it is not in the interest of the public, it is not in the interest of the great masses of the people, the farmers, the small-business men, or the laboring people. It is only in the interest of a very small percentage of the whole citizenry to further regiment and control business as this bill provides, and to force freight rates still higher. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, this provision, so far as it provides for an investigation, directs the Interstate Commerce Commission to make the investigation and then enter such orders as may be appropriate for the removal of any unlawfulness which may be found to exist. Under the law an unreasonable rate is an unlawful rate. When we heard this matter the committee reached the conclusion that the facts justified this investigation. I have no doubt that if a complete investigation were made of our rate structure there would be many cases of differentials in both agricultural and industrial products that need correction; in fact, it is my belief that the greatest opportunity we have to establish a sound improvement of transportation is in adjusting these differentials. In my judgment, that is the primary thing that can be accomplished by the legislation that we propose. [Applause.] If there is anything that justifies that it is the present system with respect to our rate structure. In that connection, and somewhat aside from the immediate purpose, I would like to quote Mr. Eastman, who made a statement to our committee in reference to this legislation:

> The way in which rates have been made in the past enables the railroads to reduce many rates to meet new competition without going below full cost of service. On the other hand, they have multitudes of rates which yield only a margin over out-of-pocket costs, if they yield that. The existence of these low rates makes the reduction of higher rates more serious than it otherwise would be.

In fact, this method of reduction has given undue emphasis to competition in fixing rates, and that has necessitated neglect of economics in adjusting rates from the standpoint of the economic welfare; so, whatever is the result of this investigation, it is dealing with what I regard the most important phase of this problem as we seek to adjust it.

As far as the committee is concerned, I take it that it is of no consequence to the committee as to what is done with this particular amendment. When it was presented to the committee we had called to our attention, among other things, the attitude of the southern Governors. Six Governors of the Southern States joined in trying to find a remedy such as they desired, and I have in my hand a list of the products which they wanted investigated. They included 20 different classifications of articles, all of which are industrial, of a manufactured type, and none of a strictly agricultural type. The argument made to our committee was that the rates on industrial products worked to the disadvantage of the South and prevented the development of manufacturing in different localities. So in a word it is up to those who want this investigation to settle the matter as to how broad they want the investigation to be. The

only objection I see to making it broad is that by making it too broad you may dissipate your effort. By scattering the effort you may increase the job, cause delay, and weaken the result. That does not necessarily follow however. It is up to those who want it to decide that question.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. McLAUGHLIN. It will be only as broad as the shippers themselves make it by their application.

Mr. LEA. That is true.

Mr. WHITTINGTON. An investigation is not made unless requested.

Mr. LEA. That is true.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Chairman, some time has elapsed since the amendment was offered, and I ask unanimous consent that the amendment be again reported.

There being no objection, the Clerk again reported the Whittington amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

POOLING; CONSOLIDATIONS, MERGERS, AND ACQUISITIONS OF CONTROL IN CASE OF CARRIERS BY RAILROAD, MOTOR VEHICLE, AND WATER

SEC. 8. Section 5 of the Interstate Commerce Act, as amended, is amended to read as follows:

"SEC. 5. (1) Except upon specific approval by order of the Commission as in this section provided, and except as provided in paragraph (16) of section 1 of this part, it shall be unlawful for any common carrier subject to this part, part II, or part III to enter into any contract, agreement, or combination with any other such common carrier or carriers for the pooling or division of traffic, or of service, or of gross or net earnings, or of any portion thereof; and in any case of an agreement for the pooling or division of traffic, service, or earnings as aforesaid each day of its continuance shall be a separate offense: *Provided*, That whenever the Commission is of opinion, after hearing upon application of any such carrier or carriers or upon its own initiative, that the pooling or division, to the extent indicated by the Commission, of their traffic, service, or gross or net earnings, or of any portion thereof, will be in the interest of better service to the public or of economy in operation, and will not unduly restrain competition, the Commission shall by order approve and authorize, if assented to by all the carriers involved, such pooling or division, under such rules and regulations, and for such consideration as between such carriers and upon such terms and conditions, as shall be found by the Commission to be just and reasonable in the premises: *Provided further*, That any contract, agreement, or combination to which any common carrier by water subject to part III is a party, relating to the pooling or division of traffic, service, or earnings, or any portion thereof, lawfully existing on the date this paragraph as amended takes effect, if filed with the Commission within 6 months after such date, shall continue to be lawful except to the extent that the Commission, after hearing upon application or upon its own initiative, may find and by order declare that such contract, agreement, or combination is not in the interest of better service to the public or of economy in operation, or that it will unduly restrain competition.

"(2) (a) It shall be lawful, with the approval and authorization of the Commission, as provided in subdivision (b), for two or more carriers to consolidate or merge their properties, or any part thereof, into one corporation for the ownership, management, and operation of the properties theretofore in separate ownership; or for any carrier, or two or more carriers jointly, to puchase, lease, or contract to operate the properties, or any part thereof, of another; or for any carrier, or two or more carriers jointly, to acquire control of another through purchase of its stock; or for a person which is not a carrier to acquire control of two or more carriers through ownership of their stock; or for a person which is not a carrier and which has contol of one or more carriers to acquire control of another carrier through ownership of its stock.

"(b) Whenever a consolidation, merger, purchase, lease, operating contract, or acquisition of control is proposed under subdivision (a), the carrier or carriers or person seeking authority therefor shall present an application to the Commission, and thereupon the Commission shall notify the Governor of each State in which any part of the properties of the carriers involved in the proposed transaction is situated, and also such carriers and the applicant or applicants (and, in case carriers by motor vehicle are involved, the persons specified in section 205 (e)), and shall afford reasonable opportunity for interested parties to be heard. If the Commission shall consider it necessary in order to determine whether the findings specified below may properly be made, it may set said application for public hearing, but such a public hearing shall be held in all cases where carriers by railroad are involved. If the Commission finds that, subject to such terms and conditions and such modifications as it shall find to be just and reasonable, the proposed consolidation, merger, purchase, lease, operating contract, or acquisition of control will be consistent with the public interest, it shall enter an order approving and authorizing such consolidation, merger, purchase, lease, operating contract, or acquisition of control, upon the terms and conditions and with the modifications so found to be just and reasonable: *Provided*, That if a carrier by railroad subject to this part, or any person which is controlled by such a carrier within the meaning of paragraph (7), or affiliated therewith within the meaning of paragraph (6), is an applicant in the case of a proposed consolidation, merger, purchase, lease, operating contract, or acquisition of control involving a motor carrier, the Commission shall not enter such an order unless it finds that the transaction proposed will be consistent with the public interest and will enable such carrier to use service by motor vehicle to public advantage in its operations and will not unduly restrain competition.

"(c) In passing upon any proposed transaction under the provisions of this section, the Commission shall give weight to the following considerations, among others: (1) The effect of the proposed transaction upon adequate transportation service to the public; (2) where appropriate, the effect upon the public interest of the inclusion, or failure to include, other railroads in the territory involved in the proposed transaction; (3) where appropriate, the total fixed charges resulting from the proposed transaction; and (4) where appropriate, the interest of the carrier employees affected.

"(d) The Commission shall have authority in the case of a proposed transaction involving a railroad or railroads, as a prerequisite to its approval of the proposed transaction, to require, upon equitable terms, the inclusion of other railroads, upon a finding that such inclusion is consistent with the public interest.

"(e) No consolidation, merger, purchase, lease, operating contract, or acquisition of control, which contemplates a guaranty of dividends, shall be approved by the Commission except upon a specific finding by the Commission that such guaranty is not inconsistent with the public interest. No consolidation or merger shall be approved which will result in an increase of total fixed charges on funded debt, except upon a specific finding by the Commission that such an increase in a particular case would not be contrary to public interest. The Commission shall require, as a prerequisite to its approval of any proposed transaction under the provisions of this section, a fair and equitable arrangement to protect the interests of the employees affected.

"(3) Whenever a person which is not a carrier is authorized, by an order entered under paragraph (2), to acquire control of any carrier or of two or more carriers, such person thereafter shall, to the extent provided by the Commission, taking into account the types of carriers involved in the acquisition, be considered as a carrier subject to the following provisions (which relate to reports, accounts, etc., of carriers): Section 20 (1) to (10), inclusive, of this part, sections 204 (a) (1) and 220 (a) and (b) of part II, and section 313 of part III, and the following provisions (which relate to issues of securities and assumptions of liabilities of carriers): Section 20a (2) to (11), inclusive, of part I, and section 214 of part II, including in each case the penalties applicable in the case of violations of such provisions. In the application of such provisions of section 20a of this part, and of section 214 of part II in the case of any such person the Commission shall authorize the issue or assumption applied for only if it finds that such issue or assumption is consistent with the proper performance of its service to the public by each carrier which is under the control of such person, that it will not impair the ability of any such carrier to perform such service, and that it is otherwise consistent with the public interest.

"(4) It shall be unlawful for any person, except as provided in paragraph (2), to accomplish or effectuate, or to participate in accomplishing or effectuating, the control or management in a common interest in any two or more carriers, however such result is attained, whether directly or indirectly, by use of common directors, officers, or stockholders, a holding or investment company or companies, a voting trust or trusts, or in any other manner whatsoever. It shall be unlawful to continue to maintain control or management accomplished or effectuated after the enactment of this amendatory paragraph and in violation of its provisions. As used in this paragraph and paragraph (5), the words 'control or management' shall be construed to include the power to exercise control or management.

"(5) For the purposes of this section, but not in anywise limiting the application of the provisions thereof, any transaction shall be deemed to accomplish or effectuate the control or management in a common interest of two carriers—

"(a) if such transaction is by a carrier, and if the effect of such transaction is to place such carrier and persons affiliated with it, taken together, in control of another carrier;

"(b) if such transaction is by a person affiliated with a carrier, and if the effect of such transaction is to place such carrier and persons affiliated with it, taken together, in control of another carrier;

"(c) if such transaction is by two or more persons acting together, one of whom is a carrier or is affiliated with a carrier, and if the effect of such transaction is to place such persons and carriers and persons affiliated with any one of them and persons affiliated with any such affiliated carrier, taken together, in control of another carrier.

"(6) For the purposes of this section a person shall be held to be affiliated with a carrier if, by reason of the relationship of such person to such carrier (whether by reason of the method of, or

circumstances surrounding organization or operation, or whether established through common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or any other direct or indirect means), it is reasonable to believe that the affairs of any carrier of which control may be acquired by such person will be managed in the interest of such other carrier.

"(7) For the purposes of this section, wherever reference is made to control, it is immaterial whether such control is direct or indirect. As used in this section, the term 'control' shall be construed to include the power to exercise control.

"(8) The Commission is hereby authorized, upon complaint or upon its own initiative without complaint, but after notice and hearing, to investigate and determine whether any person is violating the provisions of paragraph (4). If the Commission finds after such investigation that such person is violating the provisions of such paragraph, it shall by order require such person to take such action as may be necessary, in the opinion of the Commission, to prevent continuance of such violation. The provisions of this paragraph shall be in addition to, and not in substitution for, any other enforcement provisions contained in this part; and with respect to any violation of paragraphs (2) to (13), inclusive, of this section, any penalty provision applying to such a violation by a common carrier subject to this part shall apply to such a violation by any other person.

"(9) The district courts of the United States shall have jurisdiction upon the complaint of the Commission, alleging a violation of any of the provisions of this section or disobedience of any order issued by the Commission thereunder by any person, to issue such writs of injunction or other proper process, mandatory or otherwise, as may be necessary to restrain such person from violation of such provision or to compel obedience to such order.

"(10) The Commission may from time to time, for good cause shown, make such orders, supplemental to any order made under paragraph (1), (2), or (8), as it may deem necessary or appropriate.

"(11) Nothing in this section shall be construed to require the approval or authorization of the Commission in the case of a consolidation, merger, purchase, lease, operating contract, or acquisition of control where the only parties to the transaction are motor carriers subject to part II (but not including a motor carrier controlling, controlled by, or affiliated with, a carrier as defined in section 1 (3)), and where the aggregate number of motor vehicles owned, leased, controlled or operated by such parties, for purposes of transportation subject to part II, does not exceed 20.

"(12) The authority conferred by this section shall be exclusive and plenary, and any carrier or corporation participating in or resulting from any transaction approved by the Commission thereunder shall have full power (with the assent, in the case of a purchase and sale, a lease, a corporate consolidation, or a corporate merger, of a majority, unless a different vote is required under applicable State law, in which case the number so required shall assent, of the votes of the holders of the shares entitled to vote of the capital stock of such corporation at a regular meeting of such stockholders, the notice of such meeting to include such purpose, or at a special meeting thereof called for such purpose) to carry such transaction into effect and to own and operate any properties and exercise any control or franchises acquired through said transaction without invoking any approval under State authority; and any carriers or other corporations, and their officers and employees and any other persons, participating in a transaction approved or authorized under the provisions of this section shall be, and they are hereby, relieved from the operation of the antitrust laws and of all other restraints, limitations, and prohibitions of law, Federal, State, or municipal, insofar as may be necessary to enable them to carry into effect the transaction so approved or provided for in accordance with the terms and conditions, if any, imposed by the Commission, and to hold, maintain, and operate any properties and excise any control or franchises acquired through such transaction.

"(13) If any provision of the foregoing paragraphs of this section, or the application thereof to any person or circumstances, is held invalid, the other provisions of such paragraphs, and the application of such provision to any other person or circumstances, shall not be affected thereby.

"(14) As used in paragraphs (2) to (13), inclusive, the term 'person' includes an individual, partnership, association, joint-stock company, or corporation, and the term 'carrier' means a carrier by railroad, an express company, or a forwarding carrier, subject to this part, a motor carrier subject to part II, and a water carrier subject to part III.

"(15) From and after the 1st day of July 1914, it shall be unlawful for any carrier, as defined in section 1 (3), or (after the date of the enactment of this amendatory section) any person controlled by such a carrier, or affiliated therewith, to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner) in any common carrier by water operated through the Panama Canal or elsewhere with which such carrier aforesaid does or may compete for traffic or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense.

"(16) Jurisdiction is hereby conferred on the Commission to determine questions of fact, arising under paragraph (15), as to the competition or possibility of competition, after full hearing, on the application of any railroad company or other carrier. Such application may be filed for the purpose of determining whether any existing service is in violation of such paragraph and may pray for an order permitting the continuance of any vessel or vessels already in operation, or for the purpose of asking an order to install new service not in conflict with the provisions of such paragraph. The Commission may on its own motion or the application of any shipper institute proceedings to inquire into the operation of any vessel in use by any railroad or other carrier which has not applied to the Commission and had the question of competition or the possibility of competition determined as herein provided. In all such cases the order of said Commission shall be final.

"(17) If the Commission shall be of the opinion that any such existing specified service by water other than through the Panama Canal is being operated in the interest of the public and is of advantage to the convenience and commerce of the people, and that such extension will neither exclude, prevent, nor reduce competition on the route by water under consideration, the Commission may, by order, extend the time during which such service by water may continue to be operated beyond July 1, 1914. In every case of such extension the rates, schedules, and practices of such water carrier shall be filed with the Commission and shall be subject to this act in the same manner and to the same extent as is the railroad or other common carrier controlling such water carrier or interested in any manner in its operation: *Provided*, That any application for extension under the terms of this provision filed with the Commission prior to July 1, 1914, but for any reason not heard and disposed of before said date, may be considered and granted thereafter."

Mr. HARRINGTON. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARRINGTON: On page 210, line 9, after the word "affected", substitute a comma for the period and add the following: "*Provided, however*, That no such transaction shall be approved by the Commission if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees."

Mr. HARRINGTON. Mr. Chairman, the purpose of my amendment is to safeguard railway labor. We have contended all along, and I again repeat, this bill is essentially in the interest of railroad carriers, the stronger railroad carriers, I should say, and contrary to the interest of the weaker roads, the water carriers, the shippers, the public, and, I emphasize right here, contrary to the interest of the railroad employees. I realize full well the splendid work of the able gentleman from Ohio [Mr. CROSSER] in behalf of the railroad employees, and I can assure him and the Members that this is no attempt to usurp his position of leader for railroad employees' legislation, but I do think he has failed to recognize the dangers inherent in this bill. If you want to pave the way for ghost railroads and ghost railroad towns, if you want the blue envelope or the pink slip going out to 200,000 railroad employees, do not vote for my amendment.

Some of you may be confused by the fact that several of the railroad brotherhoods have endorsed this bill under the mistaken impression that it protects the interests of the employees and prevents disemployment when consolidations are authorized. My analysis convinces me that the bill simplifies the method of consolidation and does not protect the employee.

In the original version of this measure the following language referring to consolidations appeared:

Provided, That approval of any transaction—

That is, any consolidation—

subject to the provisions of this section may be given without hearing if in the judgment of the Commission a hearing is not necessary to enable it to make appropriate findings. Such approval may be upon such terms and conditions as the Commission shall find to be just and reasonable in the premises.

In other words, the door was left wide open for consolidation of lines without a hearing and without any protection whatever for the interest of employees.

I call your attention now to the fact that through being misled some of the same railroad unions also endorsed the original bill containing this language. But this wide-open invitation to consolidate was too raw a deal for the committee to swallow, and the provision was later eliminated

and new language substituted. The language now provides for—

A fair and equitable arrangement to protect the interests of the employees affected—

High-sounding and rosy-tinted words which guarantee absolutely no safeguard to employees and, in short, mean practically nothing.

Listen to this, you friends of railroad employees: In an analysis of the pending bill published this month by the Association of American Railroads, if you please, I find this paragraph on the subject of "Consolidations":

The House bill, as well as the Senate bill, vastly improves the present law with respect to railroad consolidations. It repeals that provision of the existing law which requires the Interstate Commerce Commission to set up a complete plan of consolidation, assigning all railroads to a limited number of systems. This artificial method of handling has proved ineffective, and the Commission itself has recommended that it be relieved of this duty. The House bill provides for the consolidation of railroads in accordance with plans to be worked out in each case by the railroads and submitted for approval to the Interstate Commerce Commission. There are other useful provisions in the bill of a technical nature, which will facilitate consolidation.

There you have it direct from the railroad owners. The bill as now written permits the roads to work out their own consolidations; in fact, "facilitates" these consolidations, and if you can consolidate railroads without disemploying workers, I would like to know how.

My amendment protects the railroad worker against any unemployment or any impairment of employment rights as a result of consolidations. Naturally, the railroads are not going to like this amendment. But if they want to show good faith with the brotherhoods they will accept it.

Fellow Members, in addition to all its other iniquities against the public, this legislative monstrosity will throw thousands of railroad employees out of work. Let us sidetrack the bill now until the next session. In the meantime I feel safe in assuring you that the railroad brotherhoods will wake up to the fact that they are the victims of a "sellout." An educational plan is under way to undeceive them as to the so-called merits of this bill. The "Paul Reveres" are beginning to ride. The country is just getting wise.

Mr. WARREN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa [Mr. HARRINGTON].

On last Friday, in making the first speech in opposition to this bill, directing the attention of railroad employees to the subject, I said as follows:

Mark my words, when I say to them as a friend who has stood by them when they needed friends in this body, that not one railroad job will this bill create, although it will throw thousands and thousands of others who toil out of employment. Certainly they must realize these coordinations and consolidations and shakedowns will ultimately mean the loss of thousands and thousands of their own jobs.

Let any member of the committee or any Member of the House point to one single, solitary provision in this bill in behalf of the railroad employees of this country. Forever there is hanging over them the specter of unemployment. Men in my own district with at least 20 years of seniority—and I am told that men in other sections with more seniority than that—are today walking the streets without work, having to mortgage their homes, seeing no possible chance of returning to their former jobs.

The amendment offered by the gentleman from Iowa [Mr. HARRINGTON] would protect them and would write into this law the protection that every railroad man in the country, regardless of what brotherhood he belongs to, desires.

It was just a short while ago that Mr. Daniel Willard said:

Eighty percent of the savings effected by consolidations would be taken out of the pockets of the railroad workers.

Who are going to make these consolidations? The management, who might be more friendly, are not going to make them; but every Member of this House knows that the consolidations are going to be made by the railroad bankers in New York City. If the Members of this House here today want to safeguard the jobs of railroad men throughout the country, they ought to earnestly and vigorously support the amendment just offered by the able gentleman from Iowa [Mr. HARRINGTON]. [Applause.]

[Here the gavel fell.]

Mr. ALEXANDER. Mr. Chairman and members of the Committee, I have just received a letter from Mr. Steve C. Lush, vice chairman of the Minnesota State legislative board of the Brotherhood of Railroad Trainmen. I have known him personally for many years. He is a very able man and very sincere as well as a prominent and popular citizen of the State of Minnesota. I want to read you some of his letter, because it is very relevant to this amendment which is now before us.

Mr. Lush says:

At our recent international convention held in Cleveland, Ohio, a resolution was unanimously adopted condemning this legislation which you are now considering. We are satisfied that the enactment of this bill will bring about wholesale consolidations of railroads, which as we all agree, would be disastrous not only to the employees of the railroads but to the country itself.

We have from the outset contended that the principal reason for the railroads desiring this legislation was because they felt that it would be easier to bring about monopolistic consolidations and thereby lessen employment. I again call your attention to the fact that approximately 57 percent of the people formerly employed upon railroads are no longer so employed, yet the railroads' tonnage has only decreased 29 percent. Therefore it is quite evident and apparent that the employees of the American railroads have already paid more than a fair share toward the present business slump and other factors which have taken the traffic from the rails, and we further feel that any benefits derived from the passage of this act will be of little moment to the employees, and we are doubtful if it will be of much benefit to the stock and bond holders.

If the railroads will give adequate freight service, they will have returned to the rails the freight now being hauled by other means of transportation, the same as they recovered the passenger business when they lowered rates and speeded up their trains. Therefore I cannot too earnestly urge you to vote against this legislation.

In other words, the Brotherhood of Railroad Trainmen are not for this legislation.

Now I want to tell you who belongs to the Brotherhood of Railroad Trainmen in case you do not already know. It will be well to consider who they are. They are one of the big four, the other three being the Brotherhood of Railway Conductors, the Brotherhood of Locomotive Engineers, and the Brotherhood of Enginemen and Firemen.

The Brotherhood of Railroad Trainmen includes in its membership conductors, assistant conductors, dining-car conductors or stewards, ticket collectors, train baggagemen, yardmasters, assistant yardmasters, yard conductors or foremen, flagmen, brakemen, switchmen, switch tenders, and car-retarder operators, a membership totaling altogether more than all three of the other brotherhoods combined. Shall they not have some voice in railroad and transportation legislation? They must know something about their own business, and I believe we should listen to their pleas to vote down this legislation. At least, this amendment under consideration is in line with the argument contained in Mr. Lush's letter. Therefore, I believe we should support the amendment of the gentleman from Iowa. [Applause.]

Mr. GEYER of California. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is an appropriate time and place to say what I have to say with regard to this bill.

The committee substitute for S. 2009 is supposed to establish a national transportation policy for fair and impartial regulation of the modes of transportation, by rail, highway, and water so administered to recognize and preserve the inherent advantages of each, and to encourage fair wages and equitable working conditions. When I read section 8, permitting consolidations and mergers, especially in subsection (c) where the Commission, the Interstate Commerce Commission, shall give weight to "where appropriate, the interest of the carrier employees affected," it makes me stop and wonder just what benefit can come to carrier employees in fair wages and equitable working conditions who have been displaced from their jobs through consolidations and mergers where the Commission did not deem it to be

appropriate to give weight to their employment. What in heaven's name can any railroad employee or any officer of an employees union find in this bill to support it and at the same time be fair to themselves and to the employees they represent?

Consolidations and mergers of railroads is of benefit only to the already over-rich big bankers and security holders, and certainly can never be of benefit to railroad employees. Consolidations and mergers will mean abandonment of terminals, shops, and tracks; not only will the employees lose their jobs, but businessmen will lose their patronage, communities will be deprived of railroad service—can you imagine the conditions bound to prevail in hundreds of communities denied rail service because the big-banker owners and controllers of railroads throught their profits could be greater with the consolidations and mergers permitted and even encouraged in the committee's substitute bill.

The railroads have evidently lured some of the employees' representatives into supporting such legislation under the guise of regulating all modes of transportation—get even with their competitors—and the hope thereby to create more railroad jobs. What great additional handicap does part 2 impose upon highway carriers which would be of benefit to rail employees; would abandonment of rail service where highway carriers can serve, be of great benefit to rail employees? I think not, and the rail employees would think as I do if they knew the real import of this drastic legislation. What can the rail employees hope to gain in part 3, the regulation of water carriers? Will not such regulation lead to increased water rates with damaging effect upon such mode of transportation? Suppose that some traffic now on water would be forced to use rails under the provisions of this legislation purported to recognize and preserve the inherent advantages of present modes of transportation, will the rail employees be benefited therefrom? No, the answer is "no," because the long freight train will be made longer and no additional rail employees will be needed.

Our friends supporting the committee tell us the legislation is not to injure or cripple water carriers. If that be true, then why, why is part 3 included? Our friends tell us that this legislation is not to deprive rail employees of their jobs; then why has the committee all but forgot rail employees with the sop, yes, very slim sop, "where appropriate the carrier employees affected." Why did they fail to include a provision prohibiting consolidations and mergers where loss of rail employment would be involved?

This legislation is unfair to the communities available to water-carrier service, the proponents hope to give railroads undue advantage over water carriers. This legislation is unfair to rail employees, it will be the vehicle to eliminate many rail jobs through consolidations and mergers. This legislation is unfair to the people generally, those who now have water-carrier service, and those who will be left without rail service through the easy-made consolidations and mergers with resultant abandonments.

I did not represent railroads in civil life as an attorney or otherwise. I am not representing railroads or any other industry here. I am doing my best to represent the people, which includes the railroads, their employees, and their patrons; the highway carriers, their employees, and their patrons; the water carriers, their employees, and their patrons. Therefore, Mr. Chairman, I am opposed to the committee substitute for S. 2009.

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, and I would like to reserve 5 minutes of that time for myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BOLLES].

Mr. BOLLES. Mr. Chairman, I rise in support of the amendment.

In the State of Wisconsin are three great railroad organizations: The Milwaukee & St. Paul, the Northwestern, and the Sioux. The next step in consolidation in the Middle West will be these three railroads, and at least 2,500 men will be put out of work, as estimated by those who have gone over the records carefully. I am opposed to the Lea bill if it does not include this amendment for the protection of the men working on the railroads. [Applause.]

I believe there is an obligation on the Interstate Commerce Commission, much as I dislike the Commission, to support the railroad men as well as the railroads themselves in their financial structure. I believe it is just as much the obligation of the Interstate Commerce Commission at this time under any measure passed by Congress to see that pay envelopes and pay are provided for the railroad men as it is to reduce interest and change bonds.

I am for the Harrington amendment because our first obligation is to the people of the United States, not to the financiers.

I am opposed to this bill because it allows finance corporations to buy the bonds of a railroad outright and take it into public ownership. When this is done there will be few people employed compared to the number employed today. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, economists tell us that the railroads of the country are suffering from a number of mortal diseases. Were I a diagnostician of their condition I would say that the most fatal phase of their situation is banker operation and control. These nimble gentry have taken and are taking now hundreds of millions of dollars out of the railroads annually.

Senator WHEELER stated, I think before the special committee on the wage question, that $365,000,000 a year was being wasted largely because of that and similar phases of the question.

I am for the Harrington amendment. This morning I had a call from the Honorable John Fitzgibbons, formerly a Member of this House and now the New York State representative of the trainmen. I asked him to dictate his views on the bill. He dictated the following:

In Oswego, N. Y., the consolidation of the D., L. & W. with the New York Central combined their freight facilities and resulted in the abandonment of a freight house. Two stations and two ticket offices were reduced to one, with the business handled through the N. Y. C. office. Consolidation nationally would bring about the unemployment of many thousands.

Consolidation, as provided in the Lea bill, would affect many villages and communities. The civic interest, which has brought about the establishment of schools, fire and police departments, would be destroyed by abandoning roads.

Railroad consolidations such as the Pennsylvania and the B. & O., the Great Northern and the Northern Pacific to the coast, parts of the D., L. & W. parallel to the Erie, will put the railroad employees on the dole.

Accompanying Mr. Fitzgibbons was J. A. Farquharson, national legislative representative of the Brotherhood of Railroad Trainmen. He says in part:

Hearings have been held before the Interstate Commerce Commission on the consolidation of the Chicago & North Western and the Chicago, St. Paul & Pacific Railroads. Probably the greatest damage which would be done by this consolidation would be between Chicago and Minneapolis, but in the whole consolidation plan it is contemplated that 1,108 miles of track would be abandoned; that terminal facilities, as well as freight houses, stations, and shops would be consolidated and as a result many men would lose their positions.

In this statement Mr. Farquharson quotes the words of one of the leading railroad managers in the United States of America, a real railroad manager, not a banker manager, Daniel Willard, who says that 80 percent of these consolidations would come out of the pockets of the men.

Mr. Farquharson goes on to state:

If a similar consolidation were effected between the Southern Pacific and the Western Pacific, the same possibility of unemployment would follow. The same is true of many portions of the Great Northern and the Northern Pacific, if those two lines were consolidated. Especially in the West, the abandonment of railroad

mileage leaves communities without reasonable railroad transportation. One thing should be borne in mind, that the settlement of the western country was encouraged by the building of railroads, and the railroad terminals of the West are largely dependent on railroad pay rolls, and if these pay rolls are reduced or wiped out, as is possible under this legislation, then these communities will suffer.

I say, let the railroads cure these evils in management, these grave leaks, this wasting of more than $1,000,000 a day, before Congress attempts to take it out of the pockets of the men.

I am for this amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I am not going to speak exactly upon the amendment that is before the Committee at this time. I want to apprise the House of two amendments I intend to offer. One is on page 208 following the language:

If the Commission finds that, subject to such terms and conditions and such modifications as it shall find to be just and reasonable, the proposed consolidation, merger, purchase, lease, operating contract, or acquisition of control will be consistent with the public interest, it shall enter an order.

Instead of the word "shall" insert the word "may." As the bill came to the House from the Senate it contained in this sentence the word "may"; and the word "may", as I understand it, is in the present statute law on the subject. I want to restore the language of the Senate bill with reference to the power of the Interstate Commerce Commission, and take away from the Commission the mandatory feature of this provision.

On page 209, in line 11, where the word "other" is used, I shall offer an amendment to strike out the word "other" and substitute for it the word "weak." Personally I do not believe in the consolidation of railroads unless there is some weak road that cannot stand on its own feet and which should be consolidated with some solvent and strong and financially sound railroad.

Railroads are indispensable to this country; we must have them. Apparently they need assistance. The railroads are today answering for the sins of their fathers. I think this bill will be of some assistance to the railroads and likewise to the public, also to the country as a whole. I want to ask the chairman of the committee just what obstacles there are in existing law that stand in the way of bringing about consolidations, which obstacles have been eliminated in this bill? I would like to be enlightened upon this point because I am sure the chairman knows I am looking for information.

Mr. LEA. The main difficulty that has been eliminated by this bill as to consolidations is the requirement that the Commission itself shall submit plans providing for the consolidation. They contemplated consolidations in probably 15 different sections of the country. It has been impractical; it has not worked. That was eliminated in this bill. The pending bill provides for voluntary consolidations, the plans to be submitted by the railroad companies subject to approval, or disapproval, or modification by the Interstate Commerce Commission.

Mr. O'CONNOR. In other words, you are broadening the power of the Interstate Commerce Commission to effect consolidations by this bill?

Mr. LEA. No. They have no power to compel consolidations. All they can do is approve. They have unlimited power to reject.

Mr. O'CONNOR. They have the power if this bill is passed?

Mr. LEA. If the bill is passed, yes.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, I rise at this moment to say that I am in full accord with the amendment and intend to support it.

I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a table showing the trend of employment on the railways of the country.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table referred to follows:

Statement showing for certain commodities more or less susceptible to highway and water transportation the number of cars handled by the St. Louis-San Francisco Ry. during each of the years 1924 to 1938, both inclusive

[J. M. Kurn and John G. Lonsdale, trustees St. Louis-San Francisco Ry. Co., debtor]

Commodity	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Corn	11,848	9,531	10,444	9,580	9,160	8,916	9,097	7,070	4,030	4,360	6,463	4,740	5,508	3,572	2,856
Oats	5,139	4,584	4,697	3,032	3,103	3,437	3,256	3,074	1,096	1,745	1,071	703	1,238	1,302	716
Hay	18,235	20,054	15,674	9,573	9,345	10,111	11,707	5,451	3,669	1,861	6,324	2,621	3,104	3,135	989
Coal	120,119	119,112	115,174	109,869	106,776	109,613	82,748	64,822	54,653	49,166	48,219	47,322	58,505	57,632	49,159
Lumber	70,573	77,659	69,738	59,907	58,282	56,892	35,994	23,481	15,259	18,813	18,428	22,347	27,364	25,884	20,133
Petroleum oil (com. 450 to 453)	105,202	134,597	133,328	137,246	140,765	150,819	152,132	141,566	117,643	110,012	104,912	107,460	113,876	110,409	98,895
Sugar, sirups, molasses, etc. (com. 470, 471, and 472)	3,366	3,062	3,389	2,467	2,930	3,435	2,991	2,836	2,032	1,861	2,141	2,112	2,512	2,613	2,300
Iron and steel articles (com. 491, 512, and 513)	17,263	18,552	18,526	19,110	5,441	6,774	5,575	4,059	2,431	3,404	3,930	4,798	7,057	8,068	5,016
Cast-iron pipe, and iron and steel pipe	(1)	(1)	(1)	(1)	9,414	11,329	10,944	5,843	2,683	2,436	3,427	3,624	6,260	6,412	3,863
Machinery and boilers	3,256	3,939	4,441	3,891	3,333	3,570	2,967	1,626	909	977	1,019	1,363	1,803	2,492	1,538
Cement	14,033	16,829	20,827	19,834	20,038	19,297	16,395	10,724	6,650	7,088	7,835	7,965	12,036	11,628	11,961
Automobiles and autotrucks (com. 590, 591, and 592)	15,560	20,166	19,529	11,990	19,225	28,256	14,095	4,833	2,955	6,356	8,449	12,998	14,051	15,276	8,152
Merchandise (less carload freight) (figures shown are tons, not cars)	733,643	746,320	745,769	714,627	663,838	639,412	504,488	369,205	271,853	250,915	253,200	244,052	278,739	293,083	258,491
Number of employees	24,245	24,728	24,520	23,287	22,319	22,483	19,704	15,437	12,936	12,841	13,178	13,266	13,893	14,880	13,027

[1] Included with other iron and steel articles prior to 1928.

Statement showing for certain commodities more or less susceptible to highway and water transportation the number of cars handled by the Illinois Central System during each of the years 1924 to 1938, both inclusive

[Illinois Central System (Illinois Central R. R. Co. and Yazoo & Mississippi Valley R. R. Co.]

Commodity	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Corn	41,405	38,423	41,323	39,084	44,211	39,881	35,771	25,020	26,316	30,380	32,049	21,097	33,682	26,405	46,237
Oats	32,007	30,781	24,434	23,993	24,753	23,814	20,145	19,698	11,631	11,941	8,146	7,918	10,556	10,786	10,367
Hay	21,993	19,082	19,562	13,990	11,255	13,159	15,232	7,457	3,159	2,260	5,079	2,936	2,088	2,213	1,078
Coal	360,535	387,040	431,533	447,049	399,601	398,254	322,284	261,167	262,138	235,969	254,202	269,901	291,863	294,238	233,825
Lumber	214,278	223,178	217,810	200,057	181,826	179,002	108,751	74,047	46,333	51,900	50,081	74,322	96,141	94,481	68,096
Petroleum oil (com. 450 to 453)	101,506	105,230	140,029	150,441	150,444	159,080	148,362	127,947	91,860	101,305	97,703	99,447	106,726	108,024	99,692
Sugar, sirups, molasses, etc. (com. 470, 471, and 472)	28,591	27,914	30,055	31,860	30,366	33,980	29,122	25,337	19,912	18,127	19,816	20,276	22,712	25,874	22,721

Statement showing for certain commodities more or less susceptible to highway and water transportation the number of cars handled by the Illinois Central System during each of the years 1924 to 1938, both inclusive—Continued

Commodity	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Iron and steel articles (com. 491, 512, and 513)	20,420	23,435	26,286	26,778	24,586	25,615	17,152	12,112	6,886	10,359	13,502	16,800	20,950	22,696	13,524
Cast-iron pipe and iron and steel pipe	[1]	[1]	[1]	[1]	9,806	13,116	10,325	6,219	2,182	2,372	3,996	4,103	6,497	7,741	5,991
Machinery and boilers	9,814	11,381	12,202	9,755	9,594	9,556	7,836	4,928	2,413	2,565	4,031	5,083	5,321	6,478	3,301
Cement	23,947	22,662	24,052	28,421	31,472	27,484	27,101	22,541	15,225	13,500	14,736	14,341	22,638	23,262	23,043
Automobiles and autotrucks (com. 590, 591, and 592)	30,715	38,727	40,003	34,365	47,016	52,523	30,372	20,513	10,534	18,452	24,725	38,953	42,294	43,350	21,383
Merchandise (less carload freight) (figures shown are tons, not cars)	2,070,249	2,008,731	2,084,555	2,100,990	1,866,076	1,823,731	1,495,882	1,201,721	864,698	806,320	767,064	745,034	881,037	933,494	828,735
Number of employees	60,870	59,699	62,423	57,976	54,578	54,679	44,694	37,660	27,219	25,052	29,267	28,654	31,660	31,410	27,362

[1] Included with other iron and steel articles prior to 1928.

NOTE.—Years 1924 to 1930 approximated.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I hope the pending amendment will be adopted. I think the House would be derelict in its duty to the million men who operate the railroads if adequate provision were not made for their welfare.

The bill now provides that in any plan of consolidation the carrier shall make "a fair and equitable arrangement to protect the interests of the employees affected," but you can readily see how uncertain, indefinite, and unsatisfactory that provision is. I find that quite often the different Government administrative agencies interpret acts of Congress in a manner quite different from the intention of the Members of Congress, and no one can predict what construction the carriers and the Commission would give to the very broad language "a fair and equitable arrangement"; their idea of fairness and equity might be quite different from the treatment the Congress would want them to receive. That is why this amendment is necessary to give definite expression to the treatment or "arrangement" the Congress wants the employees to receive.

One of the largest groups of railroad employees, the Brotherhood of Railway Trainmen, has urged us to vote against this bill and one of their principal grounds of objection arises from their fear that these consolidations will result in the discharge of thousands of railroad employees. This amendment will remove the possibility of such action by the carriers.

I am somewhat disturbed about the plan or policy indicated by this bill. No one even claims that this bill would result in cheaper cost of transportation, and I find in it little promise for increased employment among railroad employees. In the ranks of the 10,000,000 unemployed there are thousands of former railroad employees, all in need of work. One of the causes of the distressing financial condition of the farmers of the Nation is the high cost they must pay to get their products to the great consuming centers. Yet here we have a bill to reorganize the entire transportation system of the Nation and with apparently no thought given to our two most urgent problems, unemployment in the cities and bankruptcy on the farms.

Of course, our great railroad systems must be preserved, and I want to see them preserved other than by Government ownership. They are essential to the development of our Nation; they are necessary for our national defense; they are the safest means of transportation in the world. And knowing that my knowledge of transportation problems is quite limited I hesitate to offer any criticism of our experienced railroad executives, but it seems to me that this bill is contrary to practically all of the policies of the present administration and contrary to the modern method of doing business.

This bill seeks to place full control of all of our transportation systems in one agency and to practically abolish the time-honored American system of competition, while the present administration has been active to break down monopoly and to broaden the free competitive system. This bill leans toward reduction in employment, while the present administration is spending billions to provide employment. This bill gives every indication of increasing the cost of transportation, while this administration is fighting day and night to provide means whereby the producer may receive more for his farm commodities.

Every great industry today, except the railroads, have adopted the system of mass production with a low-unit cost. The practice started with the 5- and 10-cent store and those operators have made millions. It is followed today in the automobile industry; they produce millions of cars, with a small profit per car, and pay handsome dividends. It is the modern method of doing business; millions of customers, with a very small profit on each.

There are millions of people ready and anxious to travel by rail. They know it is the safest method of travel. They know they are taking their lives in their hands every time they drive a car on the public highways. And they do not travel by rail simply because the fare is too high and they cannot get the schedules. I firmly believe that if a substantial cut was made in rates, passenger and freight, say cut in half, and additional trains were put in service, say about double the present number, that millions of automobiles would become idle except for pleasure rides, the wide margin between the producer and consumer price would be reduced, and the revenue of the railroads would be increased many times. It would not only be the greatest possible contribution toward business recovery, but would provide employment for every railroad employee waiting for work and thousands of others.

I may be wrong, but it seems to me that in following the course set forth in this bill we are missing one of the greatest opportunities we will ever have to help solve the problem of unemployment and restore prosperity among all classes of our people.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, we must recognize that we are dealing with a serious, difficult problem. It is not a case for passion and it is not a case where voting for the impossible will do anybody any good. No one will be benefited by voting for the impossible in this case. A few years ago there were 1,600,000 employed by the railroads of the United States, while today there are only about 1,000,000. Labor cannot receive compensation on a job unless the employer is able to earn the money with which to pay labor. About 150,000 of the 240,000 miles of railroad in the United States have been on the verge of bankruptcy or in the possession of the courts. There are surplus facilities and there is a surplus operation of railroads. It is inevitable that unless there is a great increase in the volume of traffic a part of those facilities and operations must disappear.

The question then is, What is going to be done for labor? The Members who have spoken before propose that no consolidation shall occur; they refuse to reduce these surplus facilities if men are going to lose jobs. They insist on a course that will further decrease jobs. It is impracticable. We must face the facts.

This bill provides for voluntary consolidation. It is not compulsory. The economic conditions, we thought, did not justify compulsory consolidation but only by consent of those concerned. The railroad unions have an agreement

with most of the class I railroads by which they are cared for during a period of 5 years to cover unemployment due to a consolidation. It is estimated that ordinarily those who are discharged on account of consolidations will be taken care of for 5 years either through a pension system that has been established by this agreement or because of the normal release of labor, which will provide places for a part of those who would lose their positions.

About 20 of the 21 brotherhoods are supporting this bill. Unfortunately in the ranks of railroad labor there is one limited group that seems to be against whatever the others propose. The leader of that limited group, I am sorry to say, refuses to face the facts. He is fighting against the interest of labor rather than cooperating with the main groups of labor in the rail industry. However, the bulk of the railway people recognize the true facts and support this bill.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Will the gentleman tell the members of the committee what percentage of railroad labor that one organization represents?

Mr. LEA. I would be pleased if the gentleman would state it, because I do not happen to know.

Mr. VAN ZANDT. About 10 percent.

Mr. LEA. Ten percent clinging for a thing that is absolutely impossible. This is a case where labor must help itself by helping the carriers by whom they are employed.

There are two things I would call to your attention in reference to the treatment of labor that may be released by consolidations. One is a provision that provides that the Commission shall require as a prerequisite to its approval of any proposed transaction under the provisions of this section, a fair and equitable arrangement to protect the interests of the employees. It is also provided in connection with the considerations that shall govern the action of the Commission, that in passing upon any proposed transaction under the provisions of this section the Commission shall give weight to the following considerations:

(4) Where appropriate the interests of the carrier employees affected.

By agreement with nearly all the class I railroads, there is a pension system against unemployment for 5 years. In addition, there is the duty placed upon the Commission to see that the employees are fairly treated in case of consolidation which might cause reduction in labor employment. A great reduction in railway labor employment has occurred and will yet follow unless some remedy for the railroads is discovered. The best remedy is to improve the status of the railroads. Put them in the position of being going concerns and then employment will increase.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from Texas.

Mr. RAYBURN. Is it not true that, in the condition in which the railroads now are, railroad employment is going down steadily?

Mr. LEA. That is absolutely true.

Mr. RAYBURN. Is it not also true that if something is not done and if the status of the railroads is not improved, in many instances, unless there is consolidation, many of the railroads will go out of existence?

Mr. LEA. That is true.

Mr. RAYBURN. In a situation like that, would we not be doing more to protect railroad labor and provide the hope of employing more men if we did not practically prohibit consolidation, which would be the effect of the adoption of this amendment?

Mr. LEA. Absolutely. The greatest help labor can expect will come through improvement in the condition of the railroads so the railroads will be able to employ more labor. Unless that improvement occurs, probably 75,000 or 100,000 miles of railroad will go out of business and the employees will then be out of employment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HARRINGTON].

The question was taken; and on a division (demanded by Mr. LEA) there were—ayes 96, noes 68.

So the amendment was agreed to.

Mr. NORRELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NORRELL:

On page 210, after line 9, insert the following paragraph:

"(f) The Commission shall require, as a prerequisite to its approval of any consolidation, merger, or acquisition of control under the provisions of this section, (A) that the total capitalization of the properties, consolidated, merged, or acquired shall not exceed the value of the property owned or used by each common carrier included in such consolidation, merger, or acquisition, determined by the Commission (whether or not the carrier is a carrier subject to part I) in the manner specified in section 19a, and (B) that the number of executive officers of any corporation so consolidated, merged, or acquired, or of any new corporation created as a result of such consolidation, merger, or acquisition, shall not exceed such number as in the opinion of the Commission is necessary for the proper management of such corporations or new corporation, and that the salary of any such officer shall not exceed such amount as the Commission finds to be just and reasonable."

Mr. NORRELL. Mr. Chairman, I am not going to consume the 5 minutes allotted to me in explaining this amendment. The amendment in brief simply provides that in case of a consolidation of railroads, before the order of consolidation is entered, the Interstate Commerce Commission shall do two things:

First, the Commission shall ascertain the value of the physical properties of the merged or consolidated railroads and shall see to it that the stock must not exceed the actual value of the properties, thereby eliminating the inflated, watered stock the railroads issued a few years ago. This simply provides that the stock of the consolidated railways shall not be in excess of the value of the actual physical properties owned at the time by the merged railroads.

Second, the amendment provides that before the consolidation order shall be entered the Interstate Commerce Commission shall ascertain the necessary number of executive officials the consolidated railroads should have and the reasonable compensation these men should receive, and fix the number of executives and the salary they shall receive. Then that will be the maximum number of such employees the consolidated railroads shall have and the maximum amount of salary the employees shall receive.

In other words, if you want consolidation of railroads, let us put them on a sound basis financially and let us not have the money that the railroads earn consumed by overpaid and oftentimes unnecessary executives.

Mr. Chairman, if you are trying to remedy the evil that exists, here is where you can remedy it. There is pending now in another body of the Congress a bill that will appropriate millions of dollars of the taxpayers' money for the benefit of the railroads. While we are making these loans or gifts, as the case may be, let us see that the railroads operate upon a sound financial basis, taking the inflated or watered stock out, and seeing that their executives are necessary and do not receive more than they should receive. Let us place this all within the jurisdiction of the Interstate Commerce Commission prior to rendering the order of consolidation.

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, I rise in opposition to the amendment.

The amendment offered by the gentleman from Arkansas covers two rather distinct grounds.

Paragraph (a) deals with the total capitalization of consolidated roads. It is inconceivable that the Interstate Commerce Commission, which will have control of the subject, would permit an excessive capitalization. Ordinarily, we would expect that the consolidated company would not have a greater capitalization than is represented by the physical value of the property. It is wholly unnecessary to write in language of this kind, which would limit the power of the Commission in the premises. It might well be that the Commission would require the total capitalization to be less

than the value of the property. A provision of this kind might be construed to mean that the Commission could not make the capitalization less than the value.

There is a great deal of conflict and difference of opinion about what constitutes the value of railroad property. You will remember that in the great leading case of *Smyth* v. *Ames* (169 U. S. 466), decided in 1898, the Supreme Court, speaking through Mr. Justice Harlan, pointed out some of the different elements of value which exist in railroad property and enumerated the matters which any court or commission must take into consideration. The opinion states:

> We hold, however, that the basis of all calculations as to the reasonableness of rates to be charged by a corporation maintaining a highway under legislative sanction must be the fair value of the property being used by it for the convenience of the public. And, in order to ascertain that value, the original cost of construction, the amount expended in permanent improvements, the amount and market value of its bonds and stock, the present as compared with the original cost of construction, the probable earning capacity of the property under particular rates prescribed by statute, and the sum required to meet operating expenses, are all matters for consideration, and are to be given such weight as may be just and right in each case. We do not say that there may not be other matters to be regarded in estimating the value of the property.

This famous declaration has been the standard which the courts and the Commission have tried to follow through all the years. It is easy to conceive of innumerable disputes which would arise if there is written into the law the positive enactment that the capitalization shall not exceed the value of the property.

It will be remembered also that section 19a to which the Norrell amendment refers is a value for rate-making purposes. This is not necessarily the same as a value for capitalization purposes. It may be less or it may be more. The quotation above from Smyth against Ames refers to a value for rate-making purposes. It is obvious, therefore, that if we inject this element into the matter of consolidations, we have endless disputes before us as to what all these elements of value really mean.

The Interstate Commerce Commission once undertook to fix the value for rate-making purposes on the basis of prudent investment. The Supreme Court of the United States upset this theory in a well-considered case, commonly known as the O'Fallon case and the subject has been one which has given us the greatest difficulty ever since.

Mr. BULWINKLE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Congress, in 1933, repealed the recapture clause, partly for the reason that the Interstate Commerce Commission admitted that it had so much difficulty in finding value that the statute led to innumerable disputes and endless litigation. The same result might be expected if this amendment is written in.

The bill, as the committee reports it, contains standards which seem to be entirely sufficient. It is provided, lines 2 to 6 on page 210, that no consolidation or merger shall be approved which will result in an increase of total fixed charges, except upon a specific finding by the Commission. It is further provided, in subsection (c) on page 209, that the consolidation must conform to standards which will insure adequate transportation service, which will take in other railroads necessary to a particular section of the country, which will fix the amount of total fixed charges and which will protect the interests of the employees. In subsection (b), beginning on page 207, there are very adequate standards, all of which look to the protection of the public interest.

The effect of adopting the first part of the Norrell amendment will be to cause confusion and dispute, without accomplishing anything of substantial good.

The second part of the Norrell amendment, which he includes under (b), is an extremely objectionable provision, to which employees should be the first to object. It has always been the contention of railroad employees that the Government should not have the power to fix the number of employees, nor the wages of these employees. If it is sound, and we think it is, that the Government should keep out of this field so far as organized employees are concerned, by the same token the Government should not enter the field with reference to executive officers, so-called.

We think it is a sound contention that the Government should not hamper unduly the freedom of the railroads to manage their own affairs. There are certain matters which are in the public interest; there are others which should be left to managerial discretion. If the Interstate Commerce Commission is put in control of the number of officers and the salaries of officers, certainly it should follow that the Commission should be put in control of the number of employees and the wages of employees. To adopt such a provision would be to divest the management of the last shred of managerial control.

The salaries of railroad officers are not excessive, in comparison with persons performing no more responsible duties for other industries. Generally speaking, the maximum salary of any railroad officer is $60,000 a year. There are only one or two exceptions to this rule. If this amount is compared with the salaries of the officers of great industrial corporations and with those who produce moving pictures, it would seem that the salaries of railroad officers are modest indeed.

However that may be, no private business can hope to succeed if the Government undertakes to dictate the number of the officers and their compensation. The railroads need the services of young men to whom the business is attractive. If, however, the opportunity to advance and to be compensated is limited by the fiat of a Government agency, the result will be that the best young men will be drawn away from the railroad business and into more attractive fields. Whether a particular salary is or is not excessive may be a matter of opinion, but it is clear that if the railroad business is to prosper and advance and serve the public interest it must be sufficiently attractive to secure and retain the allegiance of a large circle of earnest and ambitious young men.

I trust that the Committee will vote down the amendment.

Mr. THOMAS F. FORD. Mr. Chairman, I rise in support of the amendment, and I have two or three reasons for that, and the first one is this: Very shortly the Congress of the United States is going to be called upon to pass on a measure which will have for its purpose the lending of a considerable amount of money to the railroads.

If we are going to loan money or buy equipment and lease that equipment, whichever way we do about these consolidations, we ought to have something to say about the top-flight salaries they are going to pay, and the Commission ought to be instructed definitely to keep those salaries within reasonable limits.

Mr. VAN ZANDT. Mr. Chairman, during the last 2 hours we have witnessed a remarkable exhibition on the part of some Members of this Committee. Some gentlemen, who, heretofore never appeared to be such friends of the railroads or of the railroad men, have suddenly become transformed into railroad experts and are attempting to solve the problems of the railroads and the railroad men in a most remarkable way.

When the rate question was under consideration a few moments ago, I noticed that some of the gentlemen most active in attempting to solve the railroad problem are the advocates of southern preferential rates, the strongest advocates of T. V. A., and the water carriers, all the cutthroat competitors of the railroads. These "friends" of the railroads and the railroad men are trying to write into this bill a new proposal for passenger rates. It may be interesting to these recently developed passenger-rate experts, that it usually requires 20 or 30 years for the ordinary mortal to grasp the intricate problems of rates. Yet, some of the gentlemen become qualified overnight. All this causes me to suspect that some gentlemen are not so much interested in solving these problems in the interest of a sound transportation system in this country, but in the interest of some of the many cutthroat competitors of the railroads which

are intent upon destroying the railroads and destroying the jobs of railroad men.

A few moments ago this body adopted an amendment which will have the effect of nullifying the section concerning railroad consolidations. When that was done it was not done in the interest of railroad labor, as it was pretended. That amendment will penalize railroad labor. It will do great injury to railroad labor. It will cost many railroaders their jobs. And I will tell you why.

That amendment will force the railroads to abandon certain lines, and abandonment means the loss of jobs. It causes me to wonder whether some of these gentlemen are speaking as the friends of railroad labor today, or whether they are really the enemies of railroad labor. Behind this amendment I can see all the enemies of railroad labor functioning. The waterway advocates today have joined forces with those who support the T. V. A. and those who always have opposed the railroads. They are emasculating this bill; they are tearing it to pieces. When this bill is perfected in this committee and we are called upon to vote on the final passage, we will find out whether these gentlemen are the friends of railroad labor. We will find those who are offering these emasculating amendments under the guise of perfecting the bill, will vote against it, because they are not in favor of the railroads or of railroad labor.

Therefore, I say quit your demagoguing and stand up and vote for the things that will support the railroad men of this country. The railroad men are for this bill as it came from the Committee on Interstate and Foreign Commerce of the House. There are 21 labor organizations in this country, and 20 of those organizations support this legislation as it was reported. I say that 20 great labor organizations cannot be wrong. One organization is against the bill, but the vast and overwhelming majority of the laboring men are for it.

I know whereof I speak. I come from a railroad community. There are 27,000 honest-to-goodness railroad men in that community. They all support this legislation. Thousands of other citizens in my congressional district are indirectly dependent upon the railroads and they are for this legislation which is designed to place all forms of transportation on a substantial equality. So, I say again, quit demagoguing and support the railroad men and be fair in your consideration of this measure.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. NORRELL].

The question was taken; and on a division (demanded by Mr. NORRELL) there were ayes 39 and noes 83.

So the amendment was rejected.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 208, line 15, after the word "it", strike out the word "shall" and insert "is authorized to."

Mr. O'CONNOR. Mr. Chairman, I have another amendment, which I would like to have read also.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 209, line 19, after the word "of", strike out the word "other" and insert "weak."

The CHAIRMAN. Without objection, the two amendments will be considered as one. The gentleman from Montana is recognized.

Mr. MAPES. Mr. Chairman, reserving the right to object, in just what way are those two amendments related?

Mr. O'CONNOR. They are really not related, but I thought we could save time by discussing them both at the same time. They are short amendments.

Mr. MAPES. But they are so different that they ought not be voted on together.

Mr. O'CONNOR. Very well. If the gentleman objects, I will withdraw the second amendment.

The CHAIRMAN. Without objection, the gentleman withdraws the second amendment.

There was no objection.

Mr. O'CONNOR. I will ask for consideration of the second amendment immediately following consideration of the first one.

Mr. MAPES. That is all right as far as I am concerned.

Mr. HINSHAW. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 208, line 15, after the word "it", strike out the word "shall" and insert "is authorized to."

The CHAIRMAN. The gentleman from Montana is recognized.

Mr. O'CONNOR. Mr. Chairman and Members of the Committee, the language I wish to change follows the language which I will read to you on page 208:

If the Commission finds that, subject to such terms and conditions and such modifications as it shall find to be just and reasonable, the proposed consolidation, merger, purchase, lease, operating contract, or acquisition of control will be consistent with the public interest, it shall, or it is authorized.

Now, the way the bill reads it is mandatory upon the Commission to make the merger or lease of the property. I want the bill to read as it read when it came from the Senate, which was to the effect that if the Commission found that it would be in the public interest it may, instead of shall, consolidate. There might be something latent that would not appear as far as the public interest is concerned, such as causing unemployment, that should give the Commission the power to use its discretion as to whether or not it should compel the merger of the railroads. That is the reason why I want the original language restored. I want to say this to you members of the committee, and this is no reflection on the members of the committee of the House, that this bill was originally drafted by Senator WHEELER, of Montana, than whom there is no more conversant legislator in either branch of this Congress on transportation problems. He has been studying the railroad problem ever since he has been in Congress and is thoroughly familiar with its every angle.

Mr. CROSSER. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to my friend. I could not help yielding to the gentleman.

Mr. CROSSER. You say that nothwithstanding the fact that the Commission finds it is in the public interest, they should not be required to put the matter into effect?

Mr. O'CONNOR. Yes.

Mr. CROSSER. If it is in the public interest, it is in the interest of the employees just as well, because they are a part of the public.

Mr. O'CONNOR. The trouble is it might be made to appear in the public interest through false propaganda. Bankers who made the loan may have had something to do with the propaganda.

Mr. CROSSER. That is not the public. The bankers are not the public. The public is all the people.

Mr. O'CONNOR. I will say this, that usually the one who holds the purse-strings controls the situation.

Mr. CROSSER. But that would not be in the public interest.

Mr. O'CONNOR. To a certain extent it might appear to be. What I want to do is to give this Commission the power of a court, to make a finding, and after it has made a finding to the effect that it is in the public interest, I want to give it discretion as to whether or not the merger shall take effect.

Mr. CROSSER. What is the use of their finding it in the public interest if they cannot say the merger shall take place? That is simply saying, "In our judgment, this should be done."

Mr. O'CONNOR. I will say the word "may" has been written into the law for years. Why do we change that now?

Why do we make it mandatory upon the Commission to do this work now? Why not still leave it discretionary if we have faith in our Commission? The Commission is a quasi-judicial body that makes findings through rendered judgments.

Mr. CROSSER. But we are trying to make the law more intelligent.

Mr. O'CONNOR. The law has always been intelligent. The difficulty has been that the Commission did not have the power. I think the committee should accept this amendment. I think it should accept the amendment and leave the discretion with the Interstate Commerce Commission.

Mr. CROSSER. Does not the gentleman realize that inserting the language which he suggests here would give the Commission very questionable constitutional authority?

Mr. O'CONNOR. We are giving the Interstate Commerce Commission discretion and authority over transportation. That is what we are doing by this bill.

Mr. CROSSER. We say if they find this is in the public interest, the interest of the people of the United States.

Mr. O'CONNOR. Then you are directing them to do something just as you would direct the courts.

Mr. CROSSER. If a thing is for the welfare of the people, in the public interest, should it not be done?

Mr. O'CONNOR. I may say to the gentleman from Ohio that this is a quasi-judicial body. You must give it some discretion.

Mr. CROSSER. If it is right, then that is what they declare.

Mr. O'CONNOR. The gentleman does not get my point. My point is this: Generally it may be to the apparent interest of the country that this merger should take place, but on account of local conditions, on account of unemployment, on account of many employees who have invested their entire savings in a home nearby their work—homes which would be rendered valueless—the Commission should not do it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana.

The amendment was rejected.

Mr. O'CONNOR. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 209, line 19, after the word "of", strike out the word 'other' and insert the word "weak."

The CHAIRMAN. The gentleman from Montana is recognized for 5 minutes.

Mr. O'CONNOR. Mr. Chairman, I am not going to take the full 5 minutes. I shall merely call attention to the fact that when this bill came from the Senate, written by a man who knew how to write railroad legislation, it included the word "weak." So that you will understand I will read subsection (c):

(c) In passing upon any proposed transaction under the provisions of this section, the Commission shall give weight to the following considerations, among others: (1) The effect of the proposed transaction upon adequate transportation service to the public; (2) where appropriate, the effect upon the public interest of the inclusion, or failure to include, other railroads in the territory involved in the proposed transaction.

I want to take out the word "other" and insert in lieu thereof the word "weak," which was written into the bill in the Senate. It was in the bill as it came to the House and that is the word that should be used, because under the bill now, two big, powerful railroads could merge. Why should you want to merge two roads like the Great Northern and the Northern Pacific? You might very well merge the Northern Pacific or the Great Northern with some railroad that could not stand on its own feet, some railroad that was weak and financially insecure, but why should you merge great big railroads? Yet this bill would give just that authority to the Interstate Commerce Commission, and that is one thing we should not do.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. HALLECK. Can the gentleman tell us what a weak railroad is in contemplation of law?

Mr. O'CONNOR. A weak railroad has been interpreted, I may say for the information of the gentleman from Indiana, a weak railroad has been interpreted as being a railroad that could not stand financially on its own feet, that has or is forced to go into receivership or lacking in power to perform properly. That is what a weak railroad means.

Mr. HALLECK. Where has that interpretation been made?

Mr. O'CONNOR. By the courts. I cannot cite the gentleman the decisions, but it is a general term known to and used by the Interstate Commerce Commission. It was written into the bill when the bill came to the House. I ask the membership of this Committee not to pass a bill that would permit the consolidation of big powerful railroads by the Interstate Commerce Commission, permit only the consolidation of railroads in the event that one of the roads is a weak railroad.

Mr. CROSSER. Is not a weak railroad another railroad?

Mr. O'CONNOR. It is another railroad but the difference is that if a railroad is going out of business the employees lose their jobs anyhow, but if a big railroad takes over a weak railroad the employees stay on. That is just the difference, and to save those jobs is the thing I am trying to do.

Mr. CROSSER. Is not a weak railroad another railroad?

Mr. O'CONNOR. Yes.

Mr. CROSSER. Would not a weak railroad be included within this language, then? Of course it would.

Mr. O'CONNOR. Wait a minute. Other railroads includes strong as well as weak, but "weak" does not include "strong." There is a difference.

Mr. Chairman, I yield back the balance of my time.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this matter was considered very carefully by the committee, and I am frank to say we had a lot of difficulty in trying to determine between ourselves just what would be a weak railroad in contemplation of the suggested language. I do not care to minimize the effectiveness or the ability of any member of any other body. There are undoubtedly able men over there. They have tried to draft a bill that met their ideas as to what this legislation should be. We have done the same thing, and if finally there are differences we can approach the solution of those differences when we get to conference. But I submit that this is not a change that should be written into this bill.

Two strong railroads capable of carrying on obviously would not want to consolidate in the first instance and would not apply for consolidation to begin with.

Not having particular regard to this amendment, but on another matter I want to say a few words. In general debate last week I referred to a resolution adopted by the executive committee of the American Farm Bureau in support of this legislation.

Subsequently the gentleman from New York [Mr. CULKIN] referred to that statement of mine and to the position of the Farm Bureau as expressed therein. He stated to the House that Mr. O'Neill, president of the Farm Bureau, had gone fishing with Mr. Pelley, president of the American Association of Railroads, and sought to draw the inference that that might have had something to do with Mr. O'Neill's attitude with respect to this legislation.

To begin with, the statement from which I quoted was from the executive committee of the Farm Bureau and not from Mr. O'Neill. In fairness to the gentleman from New York, and he is a fine, upstanding gentleman, he took the floor this morning to suggest to the membership that he had been in communication with Mr. Pelley, and Mr. Pelley said to him that no such occurrence ever took place. He then withdrew his statement.

Since that time I have been informed that Mr. O'Neill emphatically denies the allegation of the gentleman from New York and says that nothing of the kind ever took place. I believe that Mr. O'Neill makes a true statement in that

regard. In order that the record may be kept straight, I wanted to make this statement to the Committee.

I have an idea that the leaders of Farm Bureau considered this whole matter very carefully. The men on the executive committee are able men. They represent all sections of this country. They represent a great body of our agricultural people. I do not believe they would have made the recommendation that they made if they had not thought this matter over very carefully and had not reached the conclusion that the passage of this bill substantially in the form it is now would be in the public interest not alone of the farmers and the people they represent, but of the people generally all over the country.

[Here the gavel fell.]

Mr. PATRICK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had a number of things I intended to say in respect to this amendment proposed by the gentleman from Montana [Mr. O'CONNOR], which seeks to strike out merely the word "other" and put in the word "weak" which would leave entirely to whatever court or administrative body had jurisdiction, presumably the Interstate Commerce Commission, the job of determining what is a weak railroad. Therefore, no matter what expediency should arise, unless the railroad, under the determination of whatever body was holding forth, is considered a weak railroad, it could not be considered. One body might hold one way one week and another some other way next week. It is like a man's foot. Every man measured a foot by his own, up until the time 12 inches was reached, and became established as 1 foot.

That has not been done by or under this legislation. There is no use to go on with a lot of argument. There once was a man who went into a restaurant and ordered a cup of coffee, which was overturned. The waitress came up and said, "Look, my friend, you have turned your cup of coffee over." He said, "No; I did not. It was just so weak it fell over."

I think we will leave the amendment to its own end.

Mr. LEA. Will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from California.

Mr. LEA. I would like to call the attention of the gentleman to the fact this provides what the Commission shall consider in determining whether or not it will take in any roads for consolidation.

Mr. PATRICK. Yes.

Mr. LEA. If we confine consideration of the Commission to only weak roads, that may force another road to be left out that ought to be included. Suppose it became necessary to sidewalk a little road. A little road is not necessarily a weak road because it is small. It may be considered that it should be taken in. If this section is changed, as suggested, it would prevent the Commission from having the power to take care of that small road that ought to be included in the consolidation.

Mr. PATRICK. And it might result in the Commission regarding the road as weak, when it should not be so regarded, not having any measure by which to define the word "weak." It might result in a decision that a railroad was weak, which was not in the real or practical sense weak at all and might defeat the very purpose of this legislation.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Montana.

Mr. O'CONNOR. The gentleman, of course, knows that if a railroad or any other institution needs financial assistance, that is prima facie evidence, in fact it is conclusive evidence, that it is weak. That is the meaning of the word "weak" as proposed to put in the bill.

Mr. PATRICK. That is what the gentleman says.

Mr. O'CONNOR. That is what everybody else says.

Mr. PATRICK. How does the gentleman know that?

Mr. O'CONNOR. Outside of you. Everybody but you says so.

Mr. PATRICK. The gentleman has nothing on earth to stand behind with that statement. There is nothing with which to measure a construction of "weak."

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. O'CONNOR].

The amendment was rejected.

Mr. BURDICK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: Page 210, line 9, after the last word, strike out the period, add a semicolon and the following: "Any finding or order made or issued under this section may be reviewed by the circuit court of appeals for any judicial circuit in which an interested party may reside, if a petition for such review is filed within 3 months after the date such order is issued. The judgment of any such court shall be final except that it shall be subject to review by the Supreme Court of the United States upon certiorari, in the manner provided in section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347). The review by such Court shall be limited to questions of law, and the findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive. Upon such review, such Court shall have power to affirm or, if the order is not in accordance with law, to modify or to reverse the order, with or without remanding the case for a rehearing as justice may require. Pending the final determination of any such court review no liability for penalties under this part shall be incurred."

Mr. HINSHAW. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BURDICK. Mr. Chairman, I am not offering this amendment to incumber the bill. Does the gentleman want to make his point of order now?

Mr. HINSHAW. No; I was going to let the gentleman proceed.

Mr. BURDICK. If the gentleman thinks I should not proceed, make the point of order now and it will save me 5 minutes of effort.

The CHAIRMAN. Does the gentleman insist on the point of order being passed on at this time?

Mr. HINSHAW. Not at this time, Mr. Chairman; I wanted to reserve the point of order until the end of the gentleman's remarks.

Mr. BURDICK. I wish to say to the gentlemen of this House that I am very anxious to vote for this legislation and am offering this amendment because I believe the measure should be amended. After all, our liberties and our properties finally come into some court of law. While we find judges that are corrupt, I think it is to the credit of the American people that we are handling those judges as they should be handled.

In this bill on the question of mergers you have left with the Commission the absolute power of a court of review. Suppose in the case of a merger of the Northern Pacific and the Great Northern Railroads, which run through my section of the country, some interested stockholder or other interested party objected to the consolidation. The final and absolute control of that entire merger under this bill would be left with the Interstate Commerce Commission. In another section of this bill you provide for the building of bridges across navigable streams. With respect to awards as to payments to be made by the Government and by the railroads you provide the same kind of appeal in the case of the bridges that I recommend now in my amendment to this section of the bill.

I do not believe there is anyone here, whether you are interested in those who work for the railroads or those who own the railroads, who can find any possible objection to having the final power of determination of a question as great as a merger left in the courts of this country. I believe this Congress would be making a great mistake to give the power to this quasi-judicial body, this autocratic body, to determine a great question of law, and maybe a great constitutional question as well.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman, in his amendment, confines the appeal to questions of law and leaves the questions of fact to the Interstate Commerce Commission.

Mr. BURDICK. That is right.

Mr. CULKIN. Does not the gentleman believe that such an appeal would be in no way effective; that is, the litigant complaining should have a right to appeal on both questions of fact and questions of law?

Mr. BURDICK. I cannot imagine that the Interstate Commerce Commission in making findings would ever make findings at all unless they found the facts in the case; but in making the application of the law that we are writing here today to those facts, they might make mistakes.

Mr. CULKIN. May I say that the gentleman is too sanguine on that.

Mr. BURDICK. I do not know what the gentleman means by "sanguine," but I accept the compliment.

I hope no one will object to this provision in the amendment. I believe it is a good one.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. LEA. A provision granting the right of review of the Interstate Commerce Commission's orders is in the Interstate Commerce Act, and this provision would apply to a case of this kind, so I believe the amendment offered by the gentleman is not necessary in order to give this right of review. That right exists under the general law.

Mr. BURDICK. Is the chairman of the committee prepared to state now that under the bill as you have written it the power of appeal from an order on a merger still remains with some interested party?

Mr. LEA. I am advised by the attorney here that that is true. In case that is not true, the chairman would be perfectly willing to return to this section in order that the gentleman's amendment might be considered. As far as I am concerned, I believe the right of court review should exist.

Mr. BURDICK. Mr. Chairman, with that explanation I withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from North Dakota is withdrawn.

There was no objection.

The Clerk read as follows:

REPEAL OF POWER TO FIX CERTAIN THROUGH ROUTES AND JOINT RATES

SEC. 9. Paragraph (13) of section 6 of the Interstate Commerce Act, as amended, is amended—

(1) by repealing subparagraph (b);

(2) by striking out "(c)" and inserting in lieu thereof "(b)"; and

(3) by striking out "(d)" and inserting in lieu thereof "(c)."

Mr. LEA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, had come to no resolution thereon.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committees:

JULY 24, 1939.

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the District of Columbia Committee, the Mines and Mining Committee, the Coinage, Weights, and Measures Committee, and the Pensions Committee.

Respectfully submitted.

WILLIAM D. BYRON, M. C.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes at the conclusion of the business today.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXTENSION OF REMARKS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by the Postmaster General in New Haven, Conn., last Friday.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a memorandum prepared by the United States Conference of Mayors on the subject of work relief and the future.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three subjects.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address recently delivered by me at the dedication of a post office at Everett, Mass.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by the president of the American Good Government Society.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, by including a list of professors and instructors in Government office, as printed in the Washington Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of certain statements made in the Senate concerning my district.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, the same consisting of two and a half pages. I have an estimate from the Government Printing Office.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some brief extracts from Mr. Elliott Roosevelt's radio attack on the Congress.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short excerpt from the New York Herald Tribune.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Alabama [Mr. HOBBS], is recognized for 5 minutes.

CONSTITUTIONALITY OF THE HATCH BILL

Mr. HOBBS. Mr. Speaker, this morning's News has an editorial which I ask unanimous consent to insert in the RECORD at this point. This editorial pays me the compliment of saying that I may have heard of the late Mr. Justice Oliver Wendell Holmes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE RIGHT TO PLAY POLITICS

Congressman SAM HOBBS, of Alabama, was quite oratorical in opposing the Hatch bill. He based his opposition on high constitutional grounds. To restrict the political activities of Federal officeholders, he said, was to infringe upon their liberties.

We wonder if the Honorable Mr. HOBBS ever heard of the case of *McAuliffe* v. *New Bedford*, decided 47 years ago.

McAuliffe was a policeman in New Bedford, Mass. He was fired for violating the rule that "no member of the department shall be allowed to solicit money or any aid, on any pretense, for any political purpose whatever." McAuliffe took the case to the court on the ground that the rule violated his right of free speech.

The issue was decided by the Supreme Judicial Court of Massachusetts, January 6, 1892, in this language:

"The petitioner may have a constitutional right to talk politics but he has no constitutional right to be a policeman. The city may impose any reasonable condition upon holding office within its control. This regulation is a reasonable condition."

The man who wrote that decision was the late Justice Oliver Wendell Holmes. Mr. HOBBS may have heard of him.

Mr. HOBBS. Mr. Speaker, anyone would have great temerity to attempt to discuss the constitutionality of the Hatch bill without being perfectly familiar with the authorities dealing with that question. I am perfectly familiar, and was at the time I made my argument, with one of the leading cases on a similiar subject in the field of construction of State statutes, to wit, *McAuliffe* v. *New Bedford*, 155 Mass. 216.

The McAuliffe case is perfectly good law in its own field, but has little application to the question of the constitutionality of a somewhat analogous inhibition when written in a Federal statute. The sovereignty of a State is unlimited except by whatever of its power it granted to the Federal Government in the Constitution of the United States. The Federal Government has no power except that delegated by the States. None of the police powers were delegated. McAuliffe was a policeman who had taken office under a law of Massachusetts which provided that his tenure of office should be:

During good behavior and until removed by the mayor * * * for cause deemed by him sufficient after due hearing.

Another regulation prevented policemen from soliciting funds for political purposes. The mayor, upon due hearing, after complaint made against Police Officer MacAuliffe, held that the violation of this antisolicitation regulation was good cause for his removal from office. Mr. Justice Oliver Wendell Holmes, as a Justice of the court of last resort in Massachusetts, held that under those circumstances MacAuliffe was not entitled to reinstatement on mandamus. So it is perfectly apparent that the MacAuliffe case is not an authority in point as to the Hatch bill.

Now, there is an authority in point as to the Hatch bill, and that is Ex parte Curtis, decided by the Supreme Court of the United States in 106 United States at page 371, and I am going to ask unanimous consent to put that decision in full in the RECORD at this point in conjunction with my remarks, for it is very illuminating.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The decision referred to is as follows:

EX PARTE CURTIS

The sixth section of the act of August 15, 1876, chapter 287, prohibiting, under penalties therein mentioned, certain officers of the United States from requesting, giving to, or receiving from any other officer money or property or other thing of value for political purposes, is not unconstitutional

Petition for a writ of habeas corpus.

The sixth section of the act of August 15, 1876, chapter 287, entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government," provides "that all executive officers or employees of the United States not appointed by the President, with the advice and consent of the Senate, are prohibited from requesting, giving to, or receiving from, any other officer or employee of the Government, any money or property or other thing of value for political purposes; and any such officer or employee who shall offend against the provisions of this section, shall be at once discharged from the service of the United States; and he shall also be deemed guilty of a misdemeanor, and on conviction thereof shall be fined in a sum not exceeding $500."

Curtis, the petitioner, an employee of the United States, was indicted in the Circuit Court for the Southern District of New York, and convicted under this act for receiving money for political purposes from other employees of the Government. Upon his conviction he was sentenced to pay a fine, and stand committed until payment was made. Under this sentence he was taken into custody by the marshal, and on his application a writ of habeas corpus was issued by one of the justices of this court in vacation, returnable here at the present term, to inquire into the validity of his detention. The important question presented on the return to the writ so issued is whether the act under which the conviction was had is constitutional.

The case was argued by Mr. Edwin B. Smith in favor of the petition, and by the Solicitor General in opposition thereto.

Mr. Chief Justice Waite, after stating the case, delivered the opinion of the court.

The act is not one to prohibit all contributions of money or property by the designated officers and employees of the United States for political purposes. Neither does it prohibit them altogether from receiving or soliciting money or property for such purposes. It simply forbids their receiving from or giving to each other. Beyond this no restrictions are placed on any of their political privileges.

That the Government of the United States is one of delegated powers only, and that its authority is defined and limited by the Constitution, are no longer open questions; but express authority is given Congress by the Constitution to make all laws necessary and proper to carry into effect the powers that are delegated (art. I, sec. 8). Within the legitimate scope of this grant Congress is permitted to determine for itself what is necessary and what is proper.

The act now in question is one regulating in some particulars the conduct of certain officers and employees of the United States. It rests on the same principle as that originally passed in 1789 at the first session of the First Congress, which makes it unlawful for certain officers of the Treasury Department to engage in the business of trade or commerce, or to own a sea vessel, or to purchase public lands or other public property, or to be concerned in the purchase or disposal of the public securities of a State or of the United States (Rev. Stat., sec. 243); and that passed in 1791, which makes it an offense for a clerk in the same department to carry on trade or business in the funds or debts of the States or of the United States, or in any kind of public property (id., sec. 244); and that passed in 1812, which makes it unlawful for a judge appointed under the authority of the United States to exercise the profession of counsel or attorney, or to be engaged in the practice of the law (id., sec. 713); and that passed in 1853, which prohibits every officer of the United States or person holding any place of trust or profit, or discharging any official function under or in connection with any executive department of the Government of the United States, or under the Senate or House of Representatives, from acting as an agent or attorney for the prosecution of any claim against the United States (id., sec. 5498); and that passed in 1863, prohibiting Members of Congress from practicing in the Court of Claims (id., sec. 1058); and that passed in 1867, punishing by dismissal from service an officer or employee of the Government who requires or requests any workingman in a navy yard to contribute or pay any money for political purposes (id., sec. 1546); and that passed in 1868, prohibiting Members of Congress from being interested in contracts with the United States (id., sec. 3739); and another, passed in 1870, which provides that no officer, clerk, or employee in the Government of the United States shall solicit contributions from other officers, clerks, or employees for a gift to those in a superior official position, and that no officials or clerical superiors shall receive any gift or present as a contribution to them from persons in Government employ getting a less salary than themselves, and that no officer or clerk shall make a donation as a gift or present to any official superior (id., sec. 1784). Many others of a kindred character might be referred to, but these are enough to show what has been the practice in the legislative department of the Government from its organization, and, so far as we know, this is the first time the constitutionality of such legislation has ever been presented for judicial determination.

The evident purpose of Congress in all this class of enactments has been to promote efficiency and integrity in the discharge of official duties, and to maintain proper discipline in the public service. Clearly such a purpose is within the just scope of legislative power, and it is not easy to see why the act now under consideration does not come fairly within the legitimate means to such an end. It is true, as is claimed by the counsel for the petitioner, political assessments upon officeholders are not prohibited. The managers of political campaigns, not in the employ of the United States, are just as free now to call on those in office for money to be used for political purposes as ever they were, and those in office can contribute as liberally as they please, provided their payments are not made to any of the prohibited officers or employees. What we are now considering is not whether Congress

has gone as far as it may, but whether that which has been done is within the constitutional limits upon its legislative discretion.

A feeling of independence under the law conduces to faithful public service, and nothing tends more to take away this feeling than a dread of dismissal. If contributions from those in public employment may be solicited by others in official authority, it is easy to see that what begins as a request may end as a demand, and that a failure to meet the demand may be treated by those having the power of removal as a breach of some supposed duty, growing out of the political relations of the parties. Contributions secured under such circumstances will quite as likely be made to avoid the consequences of the personal displeasure of a superior, as to promote the political views of the contributor—to avoid a discharge from service, not to exercise a political privilege. The law contemplates no restrictions upon either giving or receiving, except so far as may be necessary to protect, in some degree, those in the public service against exactions through fear of personal loss. This purpose of the restriction, and the principle on which it rests, are most distinctly manifested in section 1546, supra, the reenactment in the Revised Statutes of section 3 of the act of June 30, 1868, chapter 172, which subjected an officer or employee of the Government to dismissal if he required or requested a working man in a navy yard to contribute or pay any money for political purposes, and prohibited the removal or discharge of a working man for his political opinions; and in section 1784, the reenactment of the act of February 1, 1870, chapter 63, "to protect officials in public employ," by providing for the summary discharge of those who make or solicit contributions for presents to superior officers. No one can for a moment doubt that in both these statutes the object was to protect the classes of officials and employees provided for from being compelled to make contributions for such purposes through fear of dismissal if they refused. It is true that dismissal from service is the only penalty imposed, but this penalty is given for doing what is made a wrongful act. If it is constitutional to prohibit the act, the kind or degree of punishment to be inflicted for disregarding the prohibition is clearly within the discretion of Congress, provided it be not cruel or unusual.

If there were no other reasons for legislation of this character than such as relates to the protection of those in the public service against unjust exactions, its constitutionality would, in our opinion, be clear; but there are others, to our minds, equally good. If persons in public employ may be called on by those in authority to contribute from their personal income to the expenses of political campaigns, and a refusal may lead to putting good men out of the service, liberal payments may be made the ground for keeping poor ones in. So, too, if a part of the compensation received for public services must be contributed for political purposes, it is easy to see that an increase of compensation may be required to provide the means to make the contribution, and that in this way the Government itself may be made to furnish indirectly the money to defray the expenses of keeping the political party in power that happens to have for the time being the control of the public patronage. Political parties must almost necessarily exist under a republican form of government; and when public employment depends to any considerable extent on party success, those in office will naturally be desirous of keeping the party to which they belong in power. The statute we are now considering does not interfere with this. The apparent end of Congress will be accomplished if it prevents those in power from requiring help for such purposes as a condition to continued employment.

We deem it unnecessary to pursue the subject further. In our opinion the statute under which the petitioner was convicted is constitutional. The other objections which have been urged to the detention cannot be considered in this form of proceeding. Our inquiries in this class of cases are limited to such objections as relate to the authority of the court to render the judgment by which the prisoner is held. We have no general power to review the judgments of the inferior courts of the United States in criminal cases, by the use of the writ of habeas corpus or otherwise. Our jurisdiction is limited to the single question of the power of the court to commit the prisoner for the act of which he has been convicted (Ex parte Lange, 18 Wall. 163; Ex parte Rowland, 104 U. S. 604).

The commitment in this case was lawful, and the petitioner is, consequently,

Remanded to the custody of the marshal for the southern district of New York.

Mr. Justice Bradley dissenting.

I cannot concur in the opinion of the court in this case. The law under which the petitioner is imprisoned makes it a penal offense for any executive officer or employee of the United States, not appointed by advice of the Senate [an unimportant distinction, so far as the power to make the law is concerned], to request, give to, or receive from any other officer or employee of the Government any money, or property, or other thing of value, for political purposes; thus, in effect, making it a condition of accepting any employment under the Government that a man shall not, even voluntarily and of his own free will, contribute in any way through or by the hands of any other employee of the Government to the political cause which he desires to aid and promote. I do not believe that Congress has any right to impose such a condition upon any citizen of the United States. The offices of the Government do not belong to the legislative department to dispose of on any conditions it may choose to impose. The legislature creates most of the offices, it is true, and provides compensation for the discharge of their duties, but that is its duty to do, in order to establish a complete organization of the functions of government. When established, the offices are, or ought to be, open to all. They belong to the United States and not to Congress, and every citizen having the proper qualifications has the right to accept office and to be a candidate therefor. This is a fundamental right of which the legislature cannot deprive the citizen nor clog its exercise with conditions that are repugnant to his other fundamental rights. Such a condition I regard that imposed by the law in question to be. It prevents the citizen from cooperating with other citizens of his own choice in the promotion of his political views. To take an interest in public affairs and to further and promote those principles which are believed to be vital or important to the general welfare, is every citizen's duty. It is a just complaint that so many good men abstain from taking such an interest. Amongst the necessary and proper means for promoting political views, or any other views, are association and contribution of money for that purpose, both to aid discussion and to disseminate information and sound doctrine. To deny to a man the privilege of associating and making joint contributions with such other citizens as he may choose, is an unjust restraint of his right to propagate and promote his views on public affairs. The freedom of speech and of the press, and that of assembling together to consult upon and discuss matters of public interest, and to join in petitioning for a redress of grievances, are expressly secured by the Constitution. The spirit of this clause covers and embraces the right of every citizen to engage in such discussions, and to promote the views of himself and his associates freely, without being trammelled by inconvenient restrictions. Such restrictions, in my judgment, are imposed by the law in question. Every person accepting any, the most insignificant, employment under the Government must withdraw himself from all societies and associations having for object the promotion of political information or opinions. For if one officer may continue his connection, others may do the same, and thus it can hardly fail to happen that some of them will give and some receive funds mutually contributed for the purposes of the association. Congress might just as well, so far as the power is concerned, impose, as a condition of taking any employment under the Government, entire silence on political subjects, and a prohibition of all conversation thereon between Government employees. Nay, it might as well prohibit the discussion of religious questions, or the mutual contribution of funds for missionary or other religious purposes. In former times, when the slavery question was agitated, this would have been a very convenient law to repress all discussion of the subject on either side of Mason and Dixon's line. At the present time any efficient connection with an association in favor of a prohibitory liquor law, or of a protective tariff, or of greenback currency, or even for the repression of political assessments, would render any Government official obnoxious to the penalties of the law under consideration. For all these questions have become political in their character, and any contributions in aid of the cause would be contributions for political purposes. The whole thing seems to me absurd. Neither men's mouths nor their purses can be constitutionally tied up in that way. The truth is, that public opinion is oftentimes like a pendulum, swinging backward and forward to extreme lengths. We are not unfrequently in danger of becoming purists, instead of wise reformers, in particular directions, and hastily pass inconsiderate laws which overreach the mark they are aimed at, or conflict with rights and privileges that a sober mind would regard as indisputable. It seems to me that the present law, taken in all its breadth, is one of this kind.

The legislature may, undoubtedly, pass laws excluding from particular offices those who are engaged in pursuits incompatible with the faithful discharge of the duties of such offices. That is quite another thing.

The legislature may make laws ever so stringent to prevent the corrupt use of money in elections, or in political matters generally, or to prevent what are called political assessments on Government employees, or any other exercise of undue influence over them by Government officials or others. That would be all right. That would clearly be within the province of legislation.

It is urged that the law in question is intended, so far as it goes, to effect this very thing. Probably it is. But the end does not always sanctify the means. What I contend is, that in adopting this particular mode of restraining an acknowledged evil, Congress has overstepped its legitimate powers, and interfered with the substantial rights of the citizen. It is not lawful to do evil that good may come. There are plenty of ways in which wrong may be suppressed without resorting to wrongful measures to do it. No doubt it would often greatly tend to prevent the spread of a contagious and deadly epidemic, if those first taken should be immediately sacrificed to the public good. But such a mode of preventing the evil would hardly be regarded as legitimate in a Christian country.

I have no wish to discuss the subject at length, but simply to express the general grounds on which I think the legislation in question is ultra vires. Though as much opposed as anyone to the evil sought to be remedied, I do not think the mode adopted is a legitimate or constitutional one, because it interferes too much with the freedom of the citizen in the pursuit of lawful and proper ends. If similar laws have been passed before, that does not make it right. The question is, whether the present law, with its sweeping provisions, is within the just powers of Congress. As I do not think it is, I dissent from the opinion of the majority of the court.

Mr. HOBBS. And there has never been a departure from the Curtis case. I verified that before my talk to the House the other night, fully expecting the proponents of the Hatch bill to cite some authority in support of their contentions as to its constitutionality; but when they cited none, I sent back to the Library the three books I had here in order to answer them; and, incidentally, one of the cases upon which I relied and had here was that of McAuliffe against New Bedford.

So it is, Mr. Speaker, that the newspapers continue to have their fun and wax sarcastic; but I wish to submit to this intelligent audience, now that the fever of battle has died down and pulse beats have become normal, that it is an absurd proposition that we can by mere congressional enactment deprive American citizens of their personal liberties guaranteed by the Constitution.

Section 9 of the Hatch bill inhibits political activity—no matter how innocent—by certain Federal employees completely and absolutely; not merely while "on their jobs" but in "off hours" as well; not only while in Government buildings but also when at home.

Read the Curtis case. Read it carefully and ponder its reasoning. Note the ground upon which it bases its decision. See what it says about the rights of officials to be active in political campaigns.

It seems to me that a study of this case will convince any man that the prohibition against taking any active part in political management or political campaigns, in section 9 of the Hatch bill, as passed, is unconstitutional.

There are eight sections of the Hatch bill which, in my judgment, are constitutional and which interdict every abuse of freedom of speech or freedom of action.

[Here the gavel fell.]

Mr. HEALEY. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOBBS. I thank the gentleman.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Gladly.

Mr. MUNDT. I do not ask the question in a form of heckling. I realize the gentleman is a student of constitutional law and is very sincere in his belief. Also I realize that many of us who supported the Hatch bill are equally sincere. I wish the gentleman would explain whether, in his opinion, the curtailing features of the Civil Service Act upon the political activities of civil-service employees are not somewhat analogous to those we placed on their appointees under the Hatch bill, and whether, if one bill is unconstitutional, then must not all be unconstitutional?

Mr. HOBBS. I thank the gentleman for his question because I recognize his sincerity. I attempted to clear up that point in my argument Thursday night, but I shall try again gladly. The distinction is indicated in the Curtis case, in which there are, I think, six other instances aside from the civil service, where Congress has enacted perfectly valid regulations prohibiting pernicious conduct on the part of certain employees, but in each case the prohibited conduct was pernicious. For instance, the solicitation of funds for political purposes by one employee from another. But here, in the Hatch bill, after specifically and properly prohibiting all pernicious political activity, we went further and prohibited any activity in political management or political campaigns on the part of certain Federal employees, whether pernicious or not. Such activity might be as pure and wholesome as sunshine, and yet it is interdicted.

Mark you, there is no need of additional law to fire a man who diverts time that he is paid for, from the service of the Government to any kind of political activity, no matter how innocent, for he is bound to perform his duty. The civil service for 50 years has required that a civil servant abstain from political activity. Every person who takes a position under the civil service knows that law and exchanges his rights under the Constitution of freedom of speech and freedom of action for the security of the quid pro quo guaranty of a permanent job. I stated that the other night, and if you make this bill anything but retroactive, ex post facto, as it were, it would be much less obnoxious. Every free-born citizen has a right to bargain away rights, if he wishes. But we should not commission him for a term of 4 years and thereafter force him, by changing the law, either to give up his constitutional rights or his job.

Mr. MUNDT. Am I correct in assuming that the gentleman's constitutional objections are based on the retroactive features of the bill rather than its restrictive features?

Mr. HOBBS. No, sir. The restrictions tie a string to a man's job after he took it, when there was no string. As a matter of policy, I doubt if the time has come when it is wise to foreclose the rights of freedom of speech and of action of any American citizen merely because he happens to be an employee of the Federal Government. And this consideration is wholly aside from the question of constitutionality.

Mr. MUNDT. Mr. Speaker, will the gentleman yield further?

Mr. HOBBS. Assuredly.

Mr. MUNDT. It is not true, however, that since none of the penalties are retroactive, that the constitutionality of the law might therefore not be subject to criticism.

Mr. HOBBS. Oh, the gentleman cannot seriously mean that the penalties are not retroactive in the loose sense in which we are using the word.

Mr. MUNDT. Under the bill we are not penalizing anyone for some political indiscretion of the past.

Mr. HOBBS. We are talking about section 9. Section 9 says you must be kicked out. Let us say that I am a United States district attorney. When I accepted that position there was no restriction on my liberty of speech or conduct. I entered into that office and was commissioned for 4 years, and then after 3 years have expired you come along and say: "No matter how free you were when you assumed office, you cannot defend your administration no matter how bitterly it may be attacked in a political campaign. You can take no active part in political compaigns; keep your mouth shut, or I will fire you."

I say that is unfair and utterly indefensible. Abstract justice, as well as the Constitution, condemns such a provision. [Applause.]

The SPEAKER. The time of the gentleman from Alabama has again expired.

EASEMENT FOR CERTAIN LANDS IN NEW MEXICO

Mr. DEROUEN, from the Committee on the Public Lands, submitted a conference report and statement on the bill (S. 1558) to provide for the acceptance of an easement with respect to certain lands in New Mexico, and for other purposes.

EXTENSION OF REMARKS

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I have just made.

The SPEAKER. Without objection it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the business on the Speaker's desk has been disposed of and other legislative matters, I may be permitted to address the House for 5 minutes.

The SPEAKER. Without objection it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. STEARNS of New Hampshire, on account of official business to attend the meeting of the Inter-Parliamentary Union in Oslo.

To Mr. LANHAM, after today, to attend the Inter-Parliamentary Union as a delegate of the American group.

To Mr. HOOK, for 2 weeks, on account of important business.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p. m.) the House adojurned until tomorrow, Tuesday, July 25, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INSULAR AFFAIRS

There will be a meeting of the Committee on Insular Affairs on Tuesday, July 25, 1939, at 10 a. m., for the consideration of H. R. 6197, creating the Puerto Rico Water Resources Authority, and for other purposes; and S. 2784, to amend section 4 of the act entitled "An act to provide a civil government for the Virgin Islands of the United States," approved June 22, 1936.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, July 26, 1939, at 10 a. m., for the consideration of H. R. 793, H. R. 3521, House Joint Resolution 288, House Joint Resolution 290, and S. 72. The Indian Affairs Committee will also consider H. R. 5684 and H. R. 2653 on Wednesday.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m. Wednesday, July 26, 1939, for the consideration of H. R. 2793 (by Mr. BURCH).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1039. A communication from the President of the United States, transmitting a supplemental estimate for the War Department for the fiscal year 1940, to remain available until expended, amounting to $1,500,000 (H. Doc. No. 444); to the Committee on Appropriations and ordered to be printed.

1040. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department for the fiscal year 1940 amounting to $50,000 (H. Doc. No. 445); to the Committee on Appropriations and ordered to be printed.

1041. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Post Office Department for the fiscal year 1940, in the sum of $900,000 (H. Doc. No. 446); to the Committee on Appropriations and ordered to be printed.

1042. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Works Agency amounting to $1,000,000 (H. Doc. No. 447); to the Committee on Appropriations and ordered to be printed.

1043. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal year 1940, in the amount of $53,660 (H. Doc. No. 448); to the Committee on Appropriations and ordered to be printed.

1044. A letter from the Attorney General, transmitting the draft of a proposed bill to extend the retirement privilege to the officers and employees of the Federal Bureau of Investigation; to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 4985. A bill to provide for a Fishery Educational Service in the Bureau of Fisheries; with amendment (Rept. No. 1269). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 260. Joint resolution authorizing the removal of the statue of John Marshall from its present site on the Capitol Grounds to a new site in proximity to the Supreme Court Building; with amendments (Rept. No. 1270). Referred to the Committee of the Whole House on the state of the Union.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 6443. A bill to permit certain aliens whose childhood was spent in the United States, if eligible to citizenship, to become naturalized without filing declaration of intention; without amendment (Rept. No. 1277). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of West Virginia: Committee on Mines and Mining. H. R. 7189. A bill to authorize research and experiments to find new uses for anthracite coal; without amendment (Rept. No. 1301). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee of conference. S. 1558. An act to provide for the acceptance of an easement with respect to certain lands in New Mexico, and for other purposes (Rept. No. 1302). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of West Virginia: Committee on Mines and Mining. H. R. 7327. A bill for the relief of the Nevada Silica Sands, Inc.; without amendment (Rept. No. 1271). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H.R. 5369. A bill for the relief of Maj. Noe C. Killian; without amendment (Rept. No. 1272). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 6546. A bill for the relief of Benno von Mayrhauser and Oskar von Mayrhauser; without amendment (Rept. No. 1273). Referred to the Committee of the Whole House.

Mr. TAYLOR of Tennessee: Committee on Immigration and Naturalization. H. R. 6965. A bill for the relief of Stina Anderson; without amendment (Rept. No. 1274). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 5608. A bill directing the payment to William H. Carter of travel allowances from Manila, P. I., to San Francisco, Calif.; with an amendment (Rept. No. 1275). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 1629. A bill conferring jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and enter judgment on the claim of Carl G. Allgrunn against the United States for the use of his invention in rifling guns during the war and thereafter by the Symington-Anderson Co. at Rochester, N. Y., said invention being shown and described in his Letters Patent No. 1,311,107 issued by the Patent Office of the United States on or about July 22, 1919; without amendment (Rept. No. 1276). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 3774. A bill for the relief of Albert L. Barnholtz; with amendments (Rept. No. 1278). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. H. R. 3853. A bill for the relief of Floyd Elton; with an amendment (Rept No. 1279). Referred to the Committee of the Whole House.

Mr. FENTON: Committee on Claims. H. R. 4141. A bill for the relief of Celia Press, Bernard Press, Ethel Press, and Marion Press; with amendments (Rept. No. 1280). Referred to the Committee of the Whole House.

Mr. KEEFE: Committee on Claims. H. R. 4198. A bill for the relief of M. L. Parish; with amendments (Rept. No. 1281). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4252. A bill for the relief of J. George Bensel Co.; with an amendment (Rept. No. 1282). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4875. A bill for the relief of Mamie Hoffman; with amendments (Rept. No. 1283). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5607. A bill for the relief of George A. Meffan, United States marshal, district of Idaho; with amendments (Rept. No. 1284). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5698. A bill for the relief of H. H. Rhyne, Jr.; with amendments (Rept. No. 1285). Referred to the Committee of the Whole House.

Mr. FENTON: Committee on Claims. H. R. 5951. A bill for the relief of the heirs of Emma J. Hall; with amendments (Rept. No. 1286). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 6259. A bill for the relief of Jack D. Collins; with an amendment (Rept. No. 1287). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6490. A bill for the relief of W. R. Fuchs, former disbursing clerk, Department of Agriculture; J. L. Summers, former disbursing clerk; and G. F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department; without amendment (Rept. No. 1288). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6491. A bill for the relief of Roscoe B. Huston and Simeon F. Felarca; without amendment (Rept. No. 1289). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6492. A bill for the relief of John L. Hicks, rural rehabilitation supervisor, Farm Security Administration, Department of Agriculture, Santa Rosa, N. Mex.; without amendment (Rept. No. 1290). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6804. A bill for the relief of George E. Miller; without amendment (Rept. No. 1291). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6805. A bill for the relief of Sam E. Woods; without amendment (Rept. No. 1292). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6808. A bill for the relief of Matilda Larned; with amendments (Rept. No. 1293). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. S. 1211. An act for the relief of Jesse Claud Branson; without amendment (Rept. No. 1294). Referred to the Committee of the Whole House.

Mr. FENTON: Committee on Claims. S. 1229. An act for the relief of Ernest Clinton and Frederick P. Deragisch; without amendment (Rept. No. 1295). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1527. An act for the relief of Joseph Lopez Ramos; without amendment (Rept. No. 1296). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1823. An act for the relief of William E. Cowen; without amendment (Rept. No. 1297). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2023. An act for the relief of C. L. Herren; without amendment (Rept. No. 1298). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2054. An act for the relief of Joseph Alder, E. G. Allen, and E. G. Allen and By Hanchett jointly; without amendment (Rept. No. 1299). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2271. An act for the relief of Barnet Warren; without amendment (Rept. No. 1300). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 7339. A bill to exempt sail vessels from the provisions of section 13 of the act of March 4, 1915, as amended, requiring the manning of certain merchant vessels by able seamen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CANNON of Missouri:

H. R. 7340. A bill to amend the Fair Labor Standards Act of 1938 to provide for an exemption of certain small newspapers; to the Committee on Labor.

By Mr. DEMPSEY:

H. R. 7341. A bill to provide for the gratuitous distribution of the CONGRESSIONAL RECORD to certain radio correspondents; to the Committee on Printing.

By Mr. JONES of Texas:

H. R. 7342. A bill to amend the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 7343. A bill to amend certain laws governing Federal prisoners, and for other purposes; to the Committee on the Judiciary.

H. R. 7344. A bill to extend the terms of judges of the district courts in Alaska, Hawaii, and the Virgin Islands to 8 years; to the Committee on the Judiciary.

By Mr. KING:

H. R. 7345. A bill to require the payment of prevailing rates of wages on Federal public works in Hawaii; to the Committee on Labor.

By Mr. LESINSKI:

H. R. 7346. A bill to vest absolute in the city of Dearborn the title to lot 19 of the Detroit Arsenal grounds subdivision, Wayne County, Mich.; to the Committee on the Public Lands.

By Mr. MARTIN of Iowa:

H. R. 7347. A bill to amend subdivision (A) of section 13 of the Fair Labor Standards Act of 1938, relating to exemption from the operation of said act, and exempting from the provisions of said act employees of certain organizations engaged in agriculture, industry, and other pursuits; to the Committee on Labor.

By Mr. McLEOD:

H. R. 7348. A bill to amend section 22 of Public Law No. 13, Seventy-first Congress, providing for the apportionment of Representatives in Congress, approved June 18, 1929; to the Committee on the Census.

By Mr. RAMSPECK:

H. R. 7349. A bill to amend the Fair Labor Standards Act of 1938; to the Committee on Labor.

By Mr. KING:

H. Con. Res. 34. Congressional resolution relating to foreclosures on farmers on public land in Hawaii; to the Committee on the Territories.

MEMORIALS

Under clause 3 rule XXII, memorials were presented and referred as follows:

By the SPEAKER. Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Senate Joint Resolution No. 22, with reference to dairy and cheese products; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 7350. A bill for the relief of Morris Burstein and Jennie Burstein; to the Committee on Immigration and Naturalization.

By Mr. CALDWELL:

H. R. 7351. A bill for the relief of Lt. Comdr. P. A. Caro; to the Committee on Naval Affairs.

By Mr. HEALEY:

H. R. 7352. A bill for the relief of Louis Ganz; to the Committee on Military Affairs.

By Mr. HENDRICKS:

H. R. 7353. A bill authorizing the appointment of Paul Crank to warrant officer; to the Committee on Naval Affairs.

By Mr. RANDOLPH:

H. R. 7354. A bill to amend the act entitled "An act for the relief of Basil N. Henry"; to the Committee on World War Veterans' Legislation.

By Mr. ROBSION of Kentucky:

H. R. 7355. A bill granting a pension to Lillie Wood; to the Committee on Invalid Pensions.

By Mr. WOOD:

H. R. 7356. A bill granting a pension to Caroline Webb Koock; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4887. By Mr. BARRY: Petition of the Taxpayer's Civic Association of Maspeth, Inc., concerning sugar legislation in 1940; to the Committee on Ways and Means.

4888. By Mr. MICHAEL J. KENNEDY: Petition of the American League for Peace and Democracy, opposing enactment of the Walsh amendments to the Wagner Labor Relations Act; to the Committee on Labor.

4889. Also, petition of the Grand Lodge, Brotherhood of Railroad Trainmen, opposing enactment of the House substitute bill for Senate bill 2009, known as the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4890. Also, petition of Howard M. Long, president, Vessel Owners and Captains Association, opposing regulation of water carriers by the Interstate Commerce Commission as provided by the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4891. Also, petition of the Railway Express Agency, New York City, pertaining to the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4892. Also, petition of the New York Board of Trade, Inc., opposing enactment of Senate bill 2343, the Mead bill to provide for the insurance of loans to business; to the Committee on Banking and Currency.

4893. Also, petition of the United Telephone Organizations of New York City, representing a membership of 9,500, opposing House bills 229 and 230; to the Committee on Military Affairs.

4894. Also, petition of the New York Joint Council of the United Office and Professional Workers of America, representing 16,000, opposing the proposed amendments to the Social Security Act which would exclude insurance agents on commission; to the Committee on Ways and Means.

4895. Also, petition of the International Association of Machinists, favoring enactment of Senate bill 2009, Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4896. Also, petition of the Merchants' Association of New York, opposing enactment of Senate bill 2009, the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4897. Also, petition of the National Knitted Outerwear Association, protesting against the enactment of House bill 944, known as the wool labeling bill; to the Committee on Interstate and Foreign Commerce.

4898. Also, petition of the Allied States Association of Motion Picture Exhibitors, urging enactment of Senate bill 280, to prohibit the compulsory block booking and blind selling of motion-picture films in interstate commerce; to the Committee on Interstate and Foreign Commerce.

4899. Also, petition of the Delaware, Lackawanna & Western Railroad Co., of Hoboken, N. J., favoring enactment of Senate bill 2009, omnibus bill to place all forms of transportation under control of Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

4900. Also, petition of Alfred S. Osbourne, vice president, Union Barge Line Corporation, opposing the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4901. Also, petition of the Young Men's Board of Trade, opposing the Patman chain-store bill; to the Committee on Ways and Means.

4902. Also, petition of Local No. 802, American Federation of Musicians, representing approximately 20,000 professional musicians, urging enactment of House bill 3840; to the Committee on Military Affairs.

4903. Also, petition of the Descendants of the American Revolution, protesting against the enactment of the Hobbs bill (H. R. 5643), the Dempsey bill (H. R. 4860), the Smith bill (H. R. 5138), the McCormack bill (H. R. 6075), the Reynolds bill (S. 409), and the Reynolds amendment barring aliens from social-security benefits; to the Committee on Ways and Means.

4904. Also, petition of Thomas J. Lyons, president, and James C. Quinn, secretary, Central Trades Labor Council of Greater New York, representing approximately 600,000 organized workers, urging enactment of legislation restoring prevailing wage rate on Works Progress Administration; to the Committee on Appropriation.

4905. By Mr. KEOGH: Petition of the Journeyman Plumbers Union, No. 463 Auxiliary, New York City, favoring the Murray-Sabath amendments to the Work Relief Act; to the Committee on Appropriations.

4906. Also, petition of Local Union 580 of the International Association of Bridge and Ornamental Iron Workers, favoring the restoration of prevailing rate of wages on Works Progress Administration work; to the Committee on Appropriations.

4907. Also, petition of the Central Trades Labor Council, Greater New York, favoring the restoration of prevailing wage rate on Works Progress Administration work; to the Committee on Appropriations.

4908. Also, petition of the Asbestos Workers' Local, No. 12, New York City, favoring the restoration of prevailing rate of wages on Works Progress Administration; to the Committee on Appropriations.

4909. Also, petition of the Edward Conen Transportation Corporation, Brooklyn, N. Y., concerning Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

4910. By Mr. PFEIFER: Petition of Barnwell Bros., Inc., New York City, opposing the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4911. Also, petition of the Edward Conen Transportation Corporation, Brooklyn, N. Y., urging passage of Senate bill 2009, the transportation bill; to the Committee on Interstate and Foreign Commerce.

4912. Also, petition of the Asbestos Workers Local, No. 12, New York City, urging prevailing rate of wages on Works Progress Administration projects; to the Committee on Appropriations.

4913. Also, petition of the United Association of Journeymen Plumbers and Steam Fitters, No. 463, New York City, favoring the Murray-Sabath amendments to the Woodrum Relief Act; to the Committee on Appropriations.

4914. By Mr. WELCH: Resolution adopted by the Board of Supervisors of the City and County of San Francisco, favoring the continuation of the Federal Theater and other art projects and their inclusion in the relief appropriation bill now before the United States Senate Appropriations Committee; to the Committee on Appropriations.

4915. By the SPEAKER: Petition of the United States Conference of Mayors, Washington, D. C., petitioning consideration of their resolution with reference to the Works Progress Administration situation; to the Committee on Appropriations.

4916. Also, petition of the Workers Alliance of America, Washington, D. C., petitioning consideration of their resolution with reference to Walker County, Ala., Workers Alliance relief legislation; to the Committee on Appropriations.

SENATE

TUESDAY, JULY 25, 1939

The Senate met in executive session at 11 o'clock a. m.

The Reverend Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

Come, Holy Spirit, heavenly Guide: Inspire the hearts of Thy servants, the President of the United States, the Members of this Senate, and all the people of the land with the abundance of Thy grace. Nourish them with all goodness; replenish them with wisdom; and fill their minds with thankfulness for the mercies Thou hast ever bestowed, which exceed all that they have desired or deserved. Through Jesus Christ our Lord who with Thee and the Father reign as one God throughout the ages, world without end. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, July 24, 1939, was dispensed with, and the Journal was approved.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. The Senate adjourned last evening in executive session. Are we now automatically in executive session?

The VICE PRESIDENT. The Senate having met this morning following an adjournment in executive session last evening is, therefore, now in executive session.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Adams	Byrd	Gillette	Johnson, Colo.
Andrews	Byrnes	Glass	King
Ashurst	Capper	Green	La Follette
Austin	Chavez	Guffey	Lee
Bailey	Clark, Idaho	Gurney	Lodge
Bankhead	Clark, Mo.	Hale	Logan
Barbour	Connally	Harrison	Lucas
Barkley	Danaher	Hatch	Lundeen
Bilbo	Davis	Hayden	McCarran
Bone	Downey	Herring	McKellar
Borah	Ellender	Hill	McNary
Bridges	Frazier	Holman	Maloney
Brown	George	Holt	Mead
Bulow	Gerry	Hughes	Miller
Burke	Gibson	Johnson, Calif.	Minton
Murray	Radcliffe	Stewart	Vandenberg
Neely	Reed	Taft	Van Nuys
Norris	Russell	Thomas, Okla.	Wagner
Nye	Schwartz	Thomas, Utah	Walsh
O'Mahoney	Schwellenbach	Tobey	Wheeler
Overton	Sheppard	Townsend	White
Pepper	Shipstead	Truman	
Pittman	Smathers	Tydings	

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS] and the Senator from South Carolina [Mr. SMITH] are detained from the Senate because of illness in their families.

The Senator from Ohio [Mr. DONAHEY] is unavoidably detained.

The Senator from Arkansas [Mrs. CARAWAY], and the Senator from Illinois [Mr. SLATTERY] are absent on important public business.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

REPORTS OF COMMITTEES

The VICE PRESIDENT. The Senate is in executive session. Are there any executive reports of committees?

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Joseph A. Ziemba, of Chicago, Ill., to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill. (reappointment).

He also, from the same committee, reported favorably the nominations of several doctors to be assistant surgeons in the United States Public Health Service, to take effect from date of oath.

Mr. BYRNES, from the Committee on Banking and Currency, reported favorably the nomination of Sam Husbands, of South Carolina, to be a member of the Board of Directors of the Reconstruction Finance Corporation for the unexpired term of 2 years from January 22, 1938.

Mr. BAILEY, from the Committee on Commerce, reported favorably the nominations of several officers for promotion in the Coast Guard.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the Executive Calendar is in order.

Mr. BARKLEY. I ask unanimous consent that the pending treaty which was under consideration at the time the Senate adjourned last night be now taken up and that the Executive Calendar be not called.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

GENERAL TREATY WITH PANAMA

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive B (74th Cong., 2d sess.), a general treaty between the United States of America and the Republic of Panama, signed at Washington on March 2, 1936.

The VICE PRESIDENT. The Senator from Nevada [Mr. PITTMAN] is recognized.

Mr. PITTMAN. Mr. President, there is pending an amendment offered to the treaty by the Senator from Rhode Island [Mr. GERRY], which reads as follows:

> At the end of article X add the following: "either prior to or subsequent to the taking of such measures."

To understand that amendment one must again read article X.

Article X, to which the amendment is proposed to be added, reads as follows:

> In case of an international conflagration or the existence of any threat of aggression which would endanger the security of the Republic of Panama or the neutrality or security of the Panama Canal, the Governments of the United States of America and the Republic of Panama will take such measures of prevention and defense as they may consider necessary for the protection of their common interests. Any measures, in safeguarding such interests, which it shall appear essential to one Government to take, and which may affect the territory under the jurisdiction of the other Government, will be the subject of consultation between the two Governments.

The Senator from Rhode Island proposes to add to that article "either prior to or subsequent to the taking of such measures." That clause undoubtedly refers to "consultation."

In a letter from the Secretary of State, dated Department of State, Washington, February 1, 1939, we find a communication relative to article X. It is a very important letter. We also find a reply to that letter by Augusto S. Boyd, Minister of Panama. I think it is appropriate at this time to have both letters in the RECORD and under consideration, as